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TODAY: SPORTS Complete Results, Page 24



Troops of the alliance being greeted by cheering crowds during their arrival Sunday in central Kinshasa.

Pascal Guyot/Agence France-Presse

Zairians Welcome 'New Congo'

Kinshasa Cautiously Celebrates End of Mobutu Rule

By Howard W. French
New York Times Service

KINSHASA, Zaire — After a final night of wild gunfire, Zaire's victorious rebels took complete possession of this city of 5 million, transforming themselves in the process into the new authorities of Africa's third-largest country.

At least 177 people were killed as Laurent Kabila's forces, the Alliance of Democratic Forces for the Liberation of the Congo, entered the city, first estimates from the Zairian Red Cross said.

The whereabouts of former President Mobutu Sese Seko remained a mystery Sunday night, with no confirmation from his entourage that he had sought exile in Morocco.

[The spokesman in Paris for Zaire's new rulers threatened to "plant bombs" in France if it gives shelter to Marshal Mobutu, Reuters reported

["If Mobutu comes into exile in France, we will start planting bombs," an infuriated N'Zamba Afri Ku-Nyeng said after French police prevented him and his supporters from taking over the Zairian Embassy in Paris.]

With heavy overnight pillaging spreading into the morning hours, the change seemed slow and gradual at first, but by the end of the day, when the last elements of Marshal Mobutu's army had surrendered, the city had seemingly become an entirely new place.

The transformation was clear in the exuberance of ordinary Kinshasans, who said they were now living free after nearly 32 years of dictatorship, but also in the unaccustomed discipline and order that the new authorities — thousands of men who have marched nearly the breadth of this continent in seven months — have already brought.

"We have suffered for 32 years, and that is a whole life for many people in our land," said Donatien Bwana. "We have to wait and see what the new government will bring, but from what I can see in these soldiers, they are Congolese, not Zairians, and that means that they, and we, are proud."

[South Africa has recognized Mr. Kabila as president, Deputy President Thabo Mbeki said Sunday, Agence France-Presse reported.]

In one of his first acts upon seizing power, Mr. Kabila proclaimed a change in the name of this country, removing Marshal Mobutu's creation, Zaire, and replacing it with the Democratic Republic of the Congo.

In the streets of Kinshasa, residents seemed more than anything eager to discover who their so-called liberators

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A Staggering Feat

Western military leaders are eager to meet Mr. Kabila, whose feat they regard as staggering. And in Switzerland, banks have frozen Marshal Mobutu's assets. Page 11.

U.S. Economic Success Sends Out Political Ripples Around the Globe

By Roger Cohen
New York Times Service

PARIS — Tony and Cherie Blair abandoned their official car for a "Westminster walkabout" on their way to the opening of Parliament last week, and The London Times approvingly noted the American inspiration of such politics, especially the way Mrs. Blair's scarf fell, like Hillary Clinton's, "with a length hanging down from the left shoulder."

Not to be outdone by the new British prime minister, President Jacques Chirac of France last week took a leaf from the Clinton political manual by departing for China with 55 leading French industrialists on a sell-France mission that has danced lightly over human-rights issues. With a parliamentary election just a week away, Mr. Chirac was betting that the president-as-global-salesman (as opposed to exalted statesman) is now a winning image even in France.

Whether it is sartorial style or commercial substance, the impact of America's sustained economic vibrancy, and the "whatever works" president identified with it, is now widely felt. From Canada through Europe to Japan, big government is out of fashion. The political left is lurching toward the center. And growth has assumed the status of a fully fledged political ideology, the foundation of electoral success.

The first thing Mr. Blair did was to grant control of monetary policy to the independent Bank of England, an extraordinary step for the

NEWS ANALYSIS

leader of the British left, and one of the first things he made clear was that "high and stable levels of economic growth" would be a priority. The moves echoed Mr. Clinton's message on taking office in 1993 that he would not interfere with the Federal Reserve or be a big spender.

A huge political shift is under way. It may be radical, as in Britain, faltering, as in France and Germany, or tinged, as in Canada, with dread of American economic Darwinism. But the sheer durability and extent of America's economic expansion — a soaring Wall Street, inflation at 3 percent, joblessness under 5 percent and only a brief blip in upward growth since 1982 — has imparted what seems to be the single strongest political message of the post-Cold War decade.

That message is: The areas where the state does things better than the market are extremely limited; fiscal discipline can be combined with strong growth and high employment if the right conditions for entrepreneurship are created, and successful politics in the absence of ideological enemies or pressing security threats amounts to the pragmatism of learning these lessons combined with sharp marketing — exemplified by the Blairs' stroll and that billowing scarf.

Dissension remains. The best balance between state and market is still widely discussed, a debate that reflects the differing cultural tra-

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Arrest of President's Son Captivates South Korea

By Mary Jordan
Washington Post Service

TOKYO — Prosecutors in Seoul arrested a son of President Kim Young Sam over the weekend on bribery and tax evasion charges, in a sensational scandal that has captivated the country and will most likely affect the presidential election.

On Sunday, the scandal continued to grow as prosecutors sought to arrest a former intelligence chief linked to the affair.

Mr. Kim's son, Kim Hyun Chul, 37, was accused of taking $3.6 million in bribes from businessmen seeking favors from his father. He also was charged with accepting an additional $3.7 million in cash donations from businessmen and laundering the money to avoid paying $1.5 million in taxes.

Prosecutors said the younger Mr. Kim maintained more than 100 bank accounts where he tried to hide money given to him by businessmen seeking government contracts or licenses. Mr. Kim has admitted taking some of the money, but he has denied that it was bribes.

Prosecutors also were seeking to arrest the former deputy head of the Agency for National Security Planning, Kim Ki Sup, who was a close associate of President Kim's son. A prosecution official said Kim Ki Sup would be charged with taking about $170,000 in kickbacks from the same businessman that the president's son was accused of tapping for a bribe.

The president, who has made fighting corruption a cornerstone of his administration, has not been accused of wrongdoing. But analysts said the scandal swirling around his son has paralyzed his presidency and diminished his influence in selecting a candidate to succeed him in the December election. Kim Young Sam was elected in 1992 and is limited by law to one five-year term.

Most analysts in Seoul agreed that the elder Mr. Kim, who has been buffeted by repeated scandals involving close aides and now his son, has become a virtual caretaker president with more than six months left in his term.

Seeking to minimize the damage from his son's arrest, the president issued a formal apology for the "severe shock and disappointment" that the arrest has caused the nation. He is expected to address the nation next week to apologize further and possibly offer new fiscal reforms to guard against corruption.

The paralysis in the final months of Mr. Kim's presidency also puts him in a far weaker position to deal with North Korea at a time when the South and the United States are working hard to bring the North to the negotiating table to discuss peace. Many believe that genuine improvements in North-South relations, which the United States regards

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Ahn Young Joon/The Associated Press

Kim Hyun Chul, 37, who is accused of taking millions in bribes.

Election Rivals Clash in Jakarta Streets

3 Main Parties Cancel Mass Rallies After a Weekend of Violence

Reuters

JAKARTA — Supporters of Indonesia's ruling Golkar Party and a rival Muslim-oriented party clashed in several areas of Jakarta on Sunday as a second day of campaign violence ahead of May 29 elections hit the capital.

The city's police chief, Major General Hamami Nata, said the situation was under control, but tension ran high across a southern swathe of the city.

Late Sunday, the heads of the three political parties in the Jakarta area issued a statement canceling mass outdoor rallies in the city for the remainder of the campaign. They said that until the end of the campaign period on Friday, meetings would be confined to neighborhood "dialogues" to avoid further violence and property damage.

But an official of the Muslim-oriented United Development Party said this did not necessarily mean people would not take to the streets again in illegal parades.

Growing numbers of fights among rival activists had been reported in recent days as the country's three officially recognized political parties geared up for the final week of campaigning. Electioneering ends Friday, when a five-day cooling off period will be declared ahead of the ballot.

On Sunday, backers of Golkar, the ruling party for the last 30 years, and the United Development Party hurled stones and other missiles at each other in at least five areas of the capital.

Witnesses said riot police and troops were deployed in the city's southern Kebayoran Lama and Cipulir areas, in Otisea and Cawang in the east and in the central Proklamasi district to quell vi-

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Ismail Jufri/Agence France-Presse

Riot police forming a barricade Sunday to block political demonstrators from entering a Jakarta neighborhood.

In Bosnia, 'Only the Absence of War'

The Peace Bureaucracy Fails to Resolve Old and Deep Hatreds

By Chris Hedges
New York Times Service

BRCKO, Bosnia-Herzegovina — Robert Farrand, the U.S. diplomat who is this town's international supervisor under the Balkan peace accord, sat in his new office overlooking the Sava River recently talking about peace, brotherly love and tolerance.

Down the street, at an outdoor rally to celebrate the Serbian Orthodox patron saint of the town, Bosnian Serb leaders issued calls for vengeance, war and annihilation.

The civilian administrators who arrived in Bosnia after the signing of the Dayton peace agreement in December 1995 were supposed to cajole local communities into rebuilding a multiethnic society obliterated by war.

But the starkly different visions proffered by Mr. Farrand and the Bosnian Serb leadership highlighted what many now see as the failure of the international diplomats to move the Bosnian Serbs, Croats and Muslims forward. And scenes like the outdoor rally have left NATO commanders, who successfully established a cease-fire and now patrol boundary lines with some 30,000 troops, in despair.

"It would be a mistake to say there is peace in Bosnia," said a top NATO commander, who spoke on condition of anonymity. "We have only the absence of war. We gave the civilian officials the time and space to carry out the Dayton agreement, but they failed. Nothing has been accomplished. The moment we pack up and leave next year the war could well start all over again."

Mr. Farrand, a 31-year veteran of the State Department who was appointed to administer the disputed town of Brcko this year, is typical of the small army of diplomats, bureaucrats and aid workers who descended on Bosnia with lofty goals but little idea of how to carry them out.

Mr. Farrand was appointed by the chief international civilian administrator for Bosnia, Carl Bildt of Sweden, to supervise Brcko until its fate is decided by international arbitrators sometime before next March.

But he has no money to carry out reconstruction programs. He cannot force the Serbs to accept the return of the 20,000 Muslims driven from the town at the start of the war.

When a senior member of Mr. Farrand's staff was asked what tools were available to the office to push through the demands of the Dayton accord, he answered, "Our wit."

Many civilian administrators, while acknowledging their failures, say the refusal by NATO leaders to arrest people indicted on charges of war

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AGENDA

2 Directors Share Cannes's Top Prize

Compiled by Our Staff From Dispatches

CANNES — Abbas Kiarostami, the Iranian director of "The Taste of the Cherry," and Shohei Imamura, the Japanese director of "The Eel," won a joint Golden Palm award Sunday for best film at Cannes's 50th festival.

Sean Penn was voted best actor for "She's So Lovely," directed by Nick Cassavetes, and Kathy Burke was named best actress for "Nil by Mouth," directed by Gary Oldman.

The award for best director went to Wong Kar-Wai of Hong Kong for "Happy Together." Youssef Chahine of Egypt was given a special prize for his film "Al Massir" ("The Destiny"). The Golden Camera award for a first-time director went to Naomi Kawase of Japan for "Moe No Suzaku." Other awards went to James Schamus for "The Ice Storm" screenplay, and Tessa Sheridan for the best short film. *(Reuters, AP)*

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Egypt	EE 5.50	Réunion	12.50 FF
France	10.00 FF	Saudi Arabia	10.00 R.
Gabon	1100 CFA	Senegal	1,100 CFA
Italy	2,800 Lire	Spain	225 PTAS
Ivory Coast	1,250 CFA	Tunisia	1,250 Din
Jordan	1,250 JD	U.A.E.	10.00 Dirh
Kuwait	700 Fils	U.S. Mil. (Eur.)	$1.20

What Runs the Store, Doesn't Talk, and Won't Smash Your Sushi?

By Kevin Sullivan
Washington Post Service

TOKYO — It's 3 A.M. and you've got a hankering for a bag of dried squid and a Coke — and maybe the new CD by The Yellow Monkey to rock you to sleep. But you're tired, and you don't feel like making small talk with some grumpy overnight clerk in a convenience store.

It's time for RoboShop.

Super RoboShop 24, which opened last month in a busy central neighborhood, is Tokyo's — and probably the world's — first convenience store run entirely by remote-controlled robots, with no clerks or other humans present.

Customers browse the long display cases of food, drinks, cosmetics, magazines and household goods, writing down their product number on an order card. The customer then punches those numbers into a keyboard similar to an ATM, drops the total due into the coin slot and waits as "Robo" goes to work.

Robo, a sort of mechanized bucket, whizzes along behind the display case glass and stops in front of each item, which is then dropped in, vending-machine style. Robo knows to choose the biggest items first, so a big bottle of aftershave or a Cuisinart doesn't squish a platter of fresh sushi. In a few seconds, Robo has zipped over and back and up and down and collected a basketful of goods, which it then dumps through a small trap door to the waiting customer.

People around the world are still trying to figure out how they feel about an IBM computer named Deep Blue whipping the world's best human chess player. Now along comes a store that makes humans obsolete in the mundane daily task of buying bread and milk.

In Japan, the idea has many boosters.

"I find this interesting and fun, and I think everybody else will, too," said Kokoro Miyata, 19, who studies accounting at a junior college in the neighborhood. Miss Miyata, who stopped in to buy a ginger ale, said many of the students at his school had become RoboShop regulars.

Americans will soon get a chance to register

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U.S. Dilemma / **Should It Be Tolerated?**

Soldiers on Adultery: 'Just Don't Get Caught'

By Ian Fisher
New York Times Service

CIUDAD JUAREZ, Mexico — The big man with brush-bristle hair — the telltale trait of a soldier — seemed neither ashamed nor especially proud of himself as he emerged from a private room of the Casa Colorada here.

He is married. But he just spent $40 for five minutes of sex with a woman in this brothel across the border from El Paso, Texas, decorated in red, from the walls to the lamps to the felt of the pool table where two unhired prostitutes shot a quiet game.

"It shouldn't be," said the soldier, who is 33 and stationed away from his family at the Fort Bliss army base in El Paso. "But everyone is human. It's going to happen."

The soldier summed up succinctly the confusion in the military over the issue of adultery, which has emerged as the latest question of sexual misconduct to snarl the armed forces.

On one hand, the U.S. military decided long ago that adultery was a threat to discipline, and the act is illegal under military law, punishable by reprimand, dismissal and, in rare cases, prison.

But it is common and commonly overlooked, even if it is not nearly as overt as it was just a few decades ago. With people away from their families for long stretches of time, adultery has been often tolerated.

For years, boxes of condoms were left on the quarterdecks for sailors, single or not, going ashore. Soldiers long maintained live-in girlfriends abroad in places such as South Korea. To this day, houses of prostitution flourish around foreign bases and ports of call, and it is no secret that many of the military customers are married.

The offense of adultery also encompasses a vast range of encounters that are routine to civilian life, from a one-night stand with a coworker to a long-term relationship outside of a troubled marriage.

So, regardless of the circumstances, an informal working rule on adultery has developed, implied in military law and expressed in interviews with service members in El Paso and Juarez: Do what you want, but don't do it blatantly and don't get caught.

"They are really not concerned about it unless something happens," said a married, 29-year-old specialist from Brooklyn, New York, on a recent night on the town in Juarez.

"If nothing happens," he added, meaning that an affair remains discreet, "they don't give a heck."

It is a standard with a shifting bottom line. Analysts and critics of the military say that is what has brought the armed forces to its current struggle over adultery after years of public battles with other sexual conduct, from homosexual behavior to sexual harassment and rape.

In a high-profile case that has embarrassed the air force, First Lieutenant Kelly Flinn, a single woman and the first female pilot of a B-52 bomber, was scheduled to be court-martialed Tuesday for affairs she had with a married man and an enlisted soldier. Last week, the army's top enlisted soldier, Sergeant Major Gene McKinney, was charged with adultery among other offenses relating to allegations that he sexually harassed four servicewomen.

And, casting a tragic shadow over the debate is the case of Lieutenant Colonel Karen Tew of the air force who committed suicide in March after pleading guilty to having an affair with an enlisted man. At 41, a year shy of retirement, she had been dismissed from the service.

For the military, the issue of adultery is spelled out plainly as Article 134 of the Uniform Code of Military Justice: There are three elements to the crime, two of which seem perfectly clear: a soldier had sex and one of the parties was married to someone else.

The third element is more subjective: that the conduct harmed "good order and discipline" and was "of a nature to bring discredit upon the armed forces." That condition, according to a Pentagon legal official, is a crucial part of the law, even though he acknowledged that it creates the impression that prosecution is selective.

"IT'S dangerous," said the official, who spoke on the condition of anonymity. "You always leave yourself open to the kind of criticism the services are getting: Well, you treated this person differently from that person. The problem is all those circumstances that feed into individual judgment don't always get played out in the media or anecdotal accounts."

For example, the military has a strong interest in disciplining cases of adultery within a company because its cohesion is considered critical to life and death. It is also concerned with disciplining officers or ranking enlisted soldiers who must command the respect of the troops. In general, military officials say, an adultery case has proceeded only when it involved "egregious" conduct and was specifically brought to a commander's attention, often by a wronged spouse.

But the standard — which seeks not to pry too deeply into soldiers' private lives — can create awkward imbalances if an act of adultery is not considered a danger to morale: An encounter with a prostitute may be less likely to be prosecuted, though it is illegal in the United States, than a case like one involving First Lieutenant Flinn, the bomber pilot, who said she considered her boyfriend her first serious romantic relationship.



Jim Wilson/The New York Times

Men gathering outside a nightclub in Ciudad Juarez, where some soldiers look for sex. In the U.S. military, adultery is common, and commonly overlooked, even if not nearly as overt as it was just a few decades ago.

At Fort Bliss, officials acknowledged reprimanding soldiers for adultery. But they said they were unaware of any cases stemming from visits to brothels in Juarez, although soldiers and the prostitutes themselves said it was common enough.

At one brothel, the Pink Lady, a prostitute named Cristal estimated that half the American soldiers she saw were married.

Some experts on the military say such vagaries make the point that the chain of command has no business in prosecuting an affair of the heart as a crime, when the civilian legal system declared it off limits long ago.

"We are talking here about, at best, what could be called lifestyle offenses," said Tod Ensign, director of Citizen Soldier, a veterans' rights group. "In 1997, if someone no longer wants to honor their marital vows, I don't think the criminal justice system has any place in it."

CRITICS cite other inconsistencies. The willingness to pursue charges varies depending on the commander as well as the branch of the service. The air force takes a much tougher line than the army, which experts said was harder than the navy or the Marines.

Lawrence Korb, a senior fellow at the Brookings Institution, said the rule on adultery could also be used selectively against any service member who becomes too much trouble, and an affair is among the problems.

Soldiers themselves seem torn. Nearly every soldier interviewed during a week in Juarez and El Paso — whether in brothels or nightclubs or walking their dogs with their wives — said adultery was illegal in the military for good reason: Soldiers need discipline and should be held to a higher standard than society.

"When you are deployed you are not doing a lot, whether you are on a ship or in the desert," said Major Paul Gayan, 34, a married Marine. "But one of the things you do do is think about home."

But many soldiers said they wondered if the punishment was at times too harsh, especially in a case like that of Lieutenant Flinn. A married staff sergeant in the air force, Antonio Cabrera, said, "The guys do it, then she does it and gets in trouble."

But he said that adultery still had no place in the military.

Air Force Pilot Facing Court-Martial Seeks to Resign

The Associated Press

MINOT, North Dakota — The nation's first female B-52 pilot will ask to resign with an honorable discharge rather than face a court-martial on charges of adultery, her lawyer said.

First Lieutenant Kelly Flinn, 26 and single, was scheduled to be court-martialed Tuesday at Minot Air Force Base on charges of adultery and fraternization in connection with two affairs the air force says she had over the past year.

One was with an enlisted man who is single, the other with a married civilian. She also is charged with lying to investigators and disobeying an order to stay away from the married man.

Lieutenant Flinn's lawyer, Frank Spinner, said Saturday that the decision to resign was difficult for the pilot. "She is a human being and she has feelings," he said. "She sees her dreams coming to an end. She is not smiling, happy. But she's at peace with herself."

On Saturday, Colonel Dennis Kansala denied Lieutenant Flinn's request that the court-martial be delayed until June 2. She may seek a continuance.

Mr. Spinner said he would submit Lieutenant Flinn's request to resign with an honorable discharge early next week. It must pass through several chains of command before it reaches the air force secretary, Sheila Widnall.

A senior air force official in Washington said it was "very, very rare" for an honorable discharge to be granted in lieu of a court-martial.

Lieutenant Flinn faces dismissal and up to 9½ years in prison if found guilty in a court-martial.

She was a rising star in the air force, featured in a promotional film and chosen to fly with Ms. Widnall when the secretary visited the Minot base.

Lieutenant Flinn has said in interviews that Marc Zigo, the married man she was involved with, lied when he told her he was legally separated from his wife and had filed for divorce.

She has also said she initially lied to the air force about her affair, fearing an admission would destroy her career.

The air force has come under a barrage of criticism in connection with the case. It has said that Lieutenant Flinn, by lying and violating the military code, breached the trust necessary between commanders and subordinates.

Jetliner Is Blown Apart in Test to Counter Terrorism

By Matthew L. Wald
New York Times Service

BRUNTINGTHORPE, England — With a flash and a boom that sent the back half of a jumbo jet leaping into the air on this old air base north of London, British and American military experts set off four bombs inside the cargo holds of an old Boeing 747. They were testing new hardening techniques that American security officials say are the best hope for protecting planes against bombs.

Huge damage had been predicted because one of the luggage containers had no protective hardening, so damage in reinforced and unprotected areas could be compared.

The results were dramatic, as a section behind the wings of the retired Air France plane separated as if sliced by a guillotine. Spectators gasped at the sight.

Video and film cameras, pressure meters, microphones and other sensors captured the event in what engineers hope is excruciating detail.

It will take technicians months to analyze the results. A major part of the analysis will be to determine which bomb created which effects. Exterior sections of the plane outside the forward cargo hold appeared to have survived intact, but part of the upper section of the plane was opened up by the blasts.

The object of the tests is to develop baggage containers or liners for the cargo area that will allow a plane to survive a bombing without a break in its skin. In flight, such a break can tear a plane apart. Plans for the exercise began shortly after the destruction of Pan American Flight 103 over Lockerbie, Scotland, in 1988.

Security experts were confident that the tests would teach them a great deal, regardless of the level of damage.

"This test is going to be successful no matter what happens," said Paul Polski, director of the Office of Aviation Security Research and Development at the Federal Aviation Administration, shortly before the charges were detonated.

The plane sacrificed Saturday was built in 1971. In 1994, it was brought to this airfield, 90 miles (145 kilometers) from London, which was an important base for American bombers at the height of the Cold War. The 747 had been stripped of its engines and most other valuable parts, but the cabin still held pressure well, test officials said.

The American aviation agency tested a baggage container hardened with a substance called Spectra, which resembles Kevlar, the material in bulletproof vests.

British officials tested a liner hardened with a similar material between the container and the fuselage.

Air Controllers Sweat Out Breakdown

The Associated Press

CLEVELAND — A one-hour long communications system failure left more than 180 aircraft over six states with little contact with air-traffic controllers, controllers said.

"We were really sweating it out, watching weak images of the planes flying overhead, trying to calculate if any were on converging flight paths," said Tim MacDonald, the safety officer with the National Air Route Traffic Controllers Association.

About 80 flights leaving airports in Cleveland, Pittsburgh and Detroit also were delayed for an hour, said Tanya Wagner, a Federal Aviation Administration spokeswoman.

She said flights had been delayed or rerouted at airports in Michigan, Pennsylvania, Indiana, New York and West Virginia. She did not know the number of aircraft affected.

"We lost some of the frequencies available to us, but we still had enough to reach the pilots and reroute the planes," she said.

Investigators were trying to determine the cause of the problem.

"They are looking at a possible MCI equipment problem," she said.

Pat Forrey, the union's president, blamed most of the problem on a power failure and said a backup supply system installed by MCI Corp. had partly failed.

Technicians were able to restore the system after about an hour by by-passing the failed system, Ms. Wagner said.

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TRAVEL UPDATE

French Rail Is Disrupted

PARIS (AFP) — A railroad conductors' strike continued to disrupt rail services Sunday, but the state-owned railroad, SNCF, said trains would soon be running on schedule after many strikers returned to work.

SNCF said Eurostar services, hit by the strike for the first time Saturday, would be normal throughout Sunday as would TGV high-speed trains running between Paris and Geneva, and Paris and Rennes. It said that two out of three trains would run across most of the country Sunday and that it would try to ensure good service for those returning from a long holiday weekend Monday and Tuesday. Unions were less optimistic, saying many inspectors were refusing to return to work.

Beijing-Hong Kong Line

BEIJING (Reuters) — China started direct train service Sunday between Beijing and Hong Kong as part of its bid to bolster ties with the territory.

Deputy Prime Minister Wu Bangguo inaugurated the service by cutting a symbolic red ribbon and saying the new link, some 2,350 kilometers (1,400 miles) long and built over three years at a cost of nearly $5 billion, would contribute to Hong Kong's prosperity.

Sabena Airlines, the Belgian carrier, resumed flights Sunday to Beirut after a 12-year stoppage during Lebanon's civil war. There will be three Brussels-Beirut flights a week.
(Reuters)

This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

MONDAY: Andorra, Austria, Bahamas, Barbados, Belgium, Benin, Canada, Central African Republic, Congo, Denmark, France, Gabon, Germany, Grenada, Hungary, Iceland, Ivory Coast, Liechtenstein, Luxembourg, Madagascar, Monaco, Netherlands, New Caledonia, Norway, Senegal, Sweden, Switzerland, Tahiti, Togo, Turkey.

TUESDAY: Cameroon, Thailand.

WEDNESDAY: Burma, Chile, Malaysia, Singapore, Sri Lanka.

THURSDAY: Indonesia, Sri Lanka, Yemen.

FRIDAY: Jamaica, Morocco.

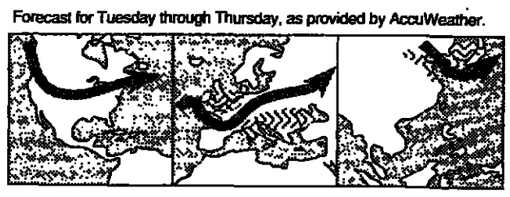
SATURDAY: Belize, Bermuda, Bulgaria, Ecuador.

Sources: J.P. Morgan, Reuters, Bloomberg

German Passport Holders heading for Singapore in May. 50% off at the stylish boutique hotel in Orchard Road, Singapore.
the Elizabeth
A member of Far East Organization
For Reservations
Fax : (65) 732 3866
Internet : http://www.fareast.com.sg/hotels
E-mail : elizabpr@pacific.net.sg

WEATHER

Forecast for Tuesday through Thursday, as provided by AccuWeather.



Jetstream · Unseasonably Cold · Unseasonably Mild · Heavy Rain · Heavy Snow

North America — Cool, unsettled weather will grip much of Japan, including Tokyo, through Thursday. Both Koreas, including Seoul, will see a moderating trend, though it may shower each day. Sunny and pleasant in Beijing, while Hong Kong and Singapore will be humid with a stray thundershower each day.

Europe — Cool, unsettled weather will affect London, Paris and Amsterdam into Thursday. Berlin and Warsaw will have a couple of showers with a cooling trend. Southeastern Europe will stay mild, though showers and thunderstorms may affect the region Wednesday and Thursday. Turning warmer in Madrid.

Asia — The Pacific Northwest will cool off this week as cooler Pacific air filters southward. The Southwest will continue to be hot with widely separated afternoon and evening thunderstorms. Fast-moving weather systems will bring showers and thunderstorms from the Plains eastward to New England

Europe

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
	C/F	C/F	C/F	C/F
Algarve	19/66	12/53 pc	20/68	13/55 pc
Amsterdam	22/71	14/57 pc	19/66	9/48 c
Ankara	23/73	9/43 pc	25/77	7/44 pc
Athens	26/79	17/62 pc	27/80	17/62 s
Barcelona	21/70	15/59 c	23/73	14/57 s
Belgrade	28/82	13/55 pc	28/82	15/59 s
Berlin	26/79	15/59 sh	21/70	12/53 sh
Brussels	23/71	15/59 pc	19/66	8/46 c
Budapest	27/80	13/55 pc	27/80	14/57 s
Copenhagen	18/64	8/46 r	13/55	4/39 c
Costa Del Sol	23/71	12/53 pc	23/73	14/57 s
Dublin	17/62	12/53 pc	18/61	9/48 r
Edinburgh	17/62	9/48 sh	13/55	4/39 r
Florence	25/77	13/55 s	26/79	13/55 pc
Frankfurt	25/79	12/53 sh	23/73	11/52 c
Geneva	24/75	11/52 pc	19/66	7/44 r
Helsinki	9/48	-2/29 pc	11/52	-1/31 pc
Istanbul	23/71	13/55 s	25/77	14/57 s
Kiev	23/73	13/55 pc	24/75	14/57 sh
Las Palmas	23/73	18/64 pc	23/73	17/62 pc
Lisbon	18/64	12/53 pc	19/66	13/55 c
London	24/75	14/57 sh	20/68	9/48 pc
Madrid	22/71	7/44 c	23/73	8/46 pc
Mallorca	19/66	17/62 c	22/71	16/61 s
Milan	28/79	13/55 pc	28/70	12/53 c
Moscow	12/53	5/41 pc	14/57	4/39 pc
Munich	22/71	11/52 pc	23/73	8/46 pc
Nice	21/70	15/59 pc	23/71	14/57 pc
Oslo	14/57	4/39 s	15/59	5/37 c
Paris	23/73	13/55 c	18/64	9/48 sh
Prague	22/71	9/48 pc	23/73	11/52 sh
Reykjavik	9/48	3/37 c	9/48	3/37 s
Riga	15/59	1/34 pc	12/53	3/37 c
Rome	26/79	14/57 pc	24/75	15/59 c
St. Petersburg	8/46	2/35 r	9/48	1/34 c
Stockholm	13/55	2/35 s	12/53	1/34 s
Strasbourg	24/75	14/57 pc	21/70	9/48 r
Tallinn	10/50	-1/31 pc	11/52	-1/31 pc
Tbilisi	23/71	12/53 r	23/73	13/55 r
Venice	24/75	13/55 s	24/75	14/57 pc
Vienna	24/75	12/53 pc	27/80	14/57 pc
Warsaw	24/75	12/53 pc	20/68	9/48 sh
Zurich	23/73	12/53 pc	21/70	7/44 sh

Middle East

Abu Dhabi	35/95	20/68 s	36/97	21/70 s
Beirut	25/77	14/57 s	20/68	14/57 s
Cairo	35/95	15/59 s	32/89	14/57 s
Damascus	31/88	11/52 s	26/79	9/48 s
Jerusalem	28/82	9/48 s	23/73	9/48 s
Luxor	43/109	21/70 s	39/102	18/64 s
Riyadh	38/100	23/73 s	38/100	23/73 s

North America

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
	C/F	C/F	C/F	C/F
Anchorage	12/53	5/41 pc	14/57	7/44 c
Atlanta	26/82	18/64 t	29/79	16/61 pc
Boston	17/62	12/53 r	19/66	8/46 sh
Chicago	19/66	6/43 pc	16/61	6/43 pc
Dallas	29/84	16/61 t	21/70	16/61 c
Denver	16/61	6/43 pc	21/70	7/44 pc
Detroit	23/73	8/46 sh	16/61	6/43 pc
Honolulu	28/82	22/71 sh	29/84	21/70 pc
Houston	31/88	19/66 pc	21/84	18/64 pc
Los Angeles	29/82	15/59 s	25/77	13/55 pc
Miami	31/88	24/75 pc	32/89	24/75 pc
Minneapolis	13/55	2/35 pc	16/61	7/44 pc
Montreal	14/57	10/50 r	14/57	1/34 sh
Nassau	31/88	23/73 pc	31/88	24/75 pc
New York	20/79	18/64 c	22/71	11/52 sh
Orlando	32/89	21/70 sh	32/89	21/70 pc
Phoenix	36/97	22/71 t	34/93	20/68 pc
San Fran	21/70	12/53 s	18/64	11/52 pc
Seattle	21/70	7/44 s	18/64	8/46 c
Toronto	20/68	4/39 r	12/53	-1/31 pc
Vancouver	20/68	6/43 s	13/55	6/43 sh
Washington	31/88	20/68 pc	24/75	12/53 pc

Asia

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
	C/F	C/F	C/F	C/F
Almaty	25/77	9/48 pc	28/79	12/53 s
Bali	32/89	22/71 pc	33/91	22/71 pc
Bangkok	32/89	25/77 c	32/89	24/75 r
Beijing	29/79	12/53 pc	24/75	13/55 c
Bombay	33/91	25/77 s	32/89	24/75 s
Calcutta	35/95	23/73 s	34/93	24/75 s
Chiang Mai	33/91	23/73 c	32/89	22/71 r
Colombo	29/84	23/73 sh	29/84	24/75 pc
Hanoi	31/88	25/77 r	30/86	24/75 sh
Ho Chi Minh	34/93	25/77 c	33/91	25/77 c
Hong Kong	29/84	24/75 r	28/82	23/73 sh
Islamabad	39/102	19/66 s	39/100	21/70 s
Jakarta	31/88	23/73 pc	30/86	23/73 pc
Karachi	36/97	24/75 s	37/99	25/77 s
K. Lumpur	33/91	23/73 pc	32/89	23/73 pc
K. Kinabalu	31/88	21/70 pc	31/88	22/71 pc
Manila	33/91	23/73 pc	32/89	23/73 pc
New Delhi	43/109	23/73 s	42/107	27/80 s
Phnom Penh	33/91	23/73 pc	33/91	24/75 pc
Phuket	32/89	25/77 c	32/89	24/75 r
Rangoon	33/91	24/75 c	32/89	24/75 r
Seoul	17/62	8/46 sh	17/62	9/48 sh
Shanghai	29/82	18/61 pc	22/71	12/53 pc
Singapore	32/89	22/71 pc	32/89	22/71 pc
Taipei	29/84	22/71 r	28/82	20/68 pc
Tokyo	24/75	17/62 c	21/70	16/61 r
Vientiane	31/88	26/79 r	31/88	25/77 sh

Africa

Algiers	28/82	16/61 pc	26/79	13/55 pc
Cape Town	17/62	8/46 pc	15/59	5/41 pc
Casablanca	21/70	12/53 pc	20/68	14/57 s
Harare	30/86	12/53 s	32/89	13/55 s
Lagos	29/84	22/71 pc	29/84	23/73 r
Nairobi	25/77	12/53 c	27/80	13/55 pc
Tunis	29/84	17/62 s	31/88	17/62 s

Latin America

Buenos Aires	19/66	10/50 c	18/66	9/48 pc
Caracas	29/84	24/75 pc	31/88	25/77 pc
Lima	24/75	17/62 pc	24/75	18/64 pc
Mexico City	25/77	12/53 pc	26/79	12/53 pc
Rio de Janeiro	23/73	17/62 pc	23/73	18/64 pc
Santiago	15/59	3/37 sh	11/52	-2/29 r

Oceania

Auckland	17/62	11/52 pc	17/62	12/53 pc
Sydney	17/62	14/57 r	18/64	13/55 pc

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, i-ice, W-Weather All maps, forecasts and data provided by AccuWeather, Inc. © 1997

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THE AMERICAS

Clinton Challenges Researchers to 'Triumph' Over AIDS Within 10 Years

The Associated Press

BALTIMORE — President Bill Clinton challenged American researchers Sunday to find a vaccine in the next decade that would rid the world of AIDS. "It cannot come a day too soon," he said.

Speaking to graduates at Morgan State University, Mr. Clinton said the United States was embarking in the next 50 years on "the age of biology," in which the nation would be responsible for ensuring that its science was used for the common good.

"Let us make an AIDS vaccine its first great triumph," Mr. Clinton said. "Today, let us commit ourselves to developing an AIDS vaccine within the next decade."

Mr. Clinton said the quest for a vaccine would take place at a new research center at the National Institutes of Health in Bethesda, Maryland, outside Washington.

The president said he was confident his goal could be reached "if America commits to finding an AIDS vaccine, and we enlist others in our cause."

"It is simply a question of when," he said. "And it cannot come a day too soon."

He said he plans to appeal to other nations to join the search for a vaccine when he meets next month with leaders of the Group of Seven industrialized nations in Denver.

■ Speech Echoes Kennedy's

John F. Harris of The Washington Post reported:

In his speech, President Clinton intended to echo John F. Kennedy's challenge in the early 1960s to put a man on the moon by the end of that decade.

Worldwide, 3 million people are newly infected with HIV annually, and an estimated 29 million people now carry the virus, which causes AIDS.

While various drug combinations have proven successful in slowing the pace at which the disease sickens and ultimately kills its victims, only very recently have researchers made sufficient progress to make a vaccine within a decade at least somewhat plausible, experts said Saturday.

To reach this end, however, Mr. Clinton announced only some comparatively modest means. The most concrete was the creation of the new AIDS vaccine research center in Bethesda.

The new center, according to an administration official, would start with about 30 to 50 researchers drawn from existing programs of the National Institutes of Health, with the expectation that additional staff would be hired over time.

It would concentrate on research in the early stages, the sort that drug companies often find unprofitable.

The federal government now spends about $150 million annually on the search for an AIDS vaccine. This figure has risen by about one-third over the past two years, but Mr. Clinton did not announce new funding increases Sunday.

The president also urged drug companies to step up their efforts in developing an AIDS vaccine. Critics have said the companies have been slow to invest in vaccine development.

Mr. Clinton's speech was broadly devoted to the possibilities and perils created by the accelerating rush of science.

He called on Congress to pass legislation that would make it illegal for insurance companies to deny coverage to individuals, set premiums, or otherwise adversely affect people as a result of genetic tests.

Mr. Clinton signed legislation last year that took some steps toward limiting insurers' reliance on genetic testing, but administration officials said it left wide areas of possible abuse unaddressed.

The fear that science could be turned against them or their children by insurance companies has led some women to avoid genetic tests for hereditary disposition for breast cancer.

While warning of such dangers, Mr. Clinton's speech was mostly upbeat.

He said that advances in the field of biology would shape the 21st century as profoundly as the new understanding of physics, which led to the development of the nuclear bomb, shaped the 20th century.

The president said he believed such advances had already put an AIDS vaccine within reach.

David Baltimore, a scientist who won a Nobel Prize in biology, applauded Mr. Clinton's announcement, but warned that it was still unproven whether an AIDS vaccine was possible.

"If we put in an all-American effort over the next 10 years" and fail, he said, "we'll have to look seriously at the prospect that you can't develop an AIDS vaccine."

But Mr. Baltimore added that Mr. Clinton's goal was nevertheless laudable.

Mr. Baltimore, who heads a committee on AIDS vaccine research at the National Institutes of Health, said he was personally optimistic. However, he added, "The state of the science is very problematic."

Yet there are some positive signs, Eric Goosby, who oversees AIDS policy at the Department of Health and Human Services, said some recent research had increased optimism about a possible vaccine "for the first time in a long time."

He cited recent research showing how injecting DNA material from viruses can excite a response in the immune systems of animals without actually causing the disease.

He also noted the recent discovery that macaque monkeys, which are especially useful in AIDS vaccine research, could be cloned.

The uncertainty about how attainable an AIDS vaccine might be led to debate within the administration about how specific Mr. Clinton should be in his address.

Some officials were hoping he could set his goal of a vaccine for a date earlier than 10 years from now. Others cautioned against making an explicit prediction that a vaccine would be found.

But even a rudimentary vaccine, with a low efficacy rate and modest risks of causing illness, might prove valuable in some Third World countries where large percentages of the population carry HIV, experts said.

Cuba's Economy Gets Bitter News

Castro Links Poor Sugar Harvest And Economic Misery to Storm

By Larry Rohter
New York Times Service

MIAMI — In a severe blow to efforts to revive the Cuban economy, the sugar harvest — the country's largest source of much-needed foreign exchange — will fall considerably short of the government's target this year, President Fidel Castro has acknowledged.

"In my opinion the harvest will not reach the same quantity as last year," Mr. Castro said in remarks broadcast over the radio in Havana this month. The statement followed other reports in the state-controlled media pointing to machinery, labor and transport problems and difficulties in financing the harvest of the all-important crop.

The shortfall that Mr. Castro is expecting places the Cuban economy in a vulnerable position and promises continued hardship for the country's 11 million people.

A 36 percent rise in sugar production last year helped fuel a reported economic growth rate of nearly 8 percent, the highest in Cuba since the collapse of the Soviet bloc in 1989 led to the imposition the next year of a so-called special period of austerity, which continues to this day. The Soviet Union and its allies had heavily subsidized the Cuban economy.

Initially, before tens of thousands of cane cutters headed off to the fields last fall, Mr. Castro predicted an increase of nearly 20 percent over the harvest of 4.45 million tons last year. But more recently, unofficial forecasts have steadily whittled away that target, first estimating 4.9 million tons as the likely output and then scaling that figure back to the yield of last year.

In the 1980s Cuba harvested as much as 7.7 million tons of sugar.

But once the Soviet Union could no longer provide credits and supplies on highly favorable terms, sugar production nose-dived, and the entire economy contracted by more than a third between 1989 and 1993.

Even before Mr. Castro spoke, Carlos Lage, the country's senior economic planner, and other officials were forecasting a reduced growth rate this year, 4 percent to 5 percent. But that figure, diplomats in Cuba and economists in Miami said, was based on a harvest that at least matched the one last year, and the failure to reach that goal augurs further problems.

"If this situation is not resolved quickly, the sugar sector could become a hindrance to the country's process of economic recovery," the newspaper Trabajadores, the official publication of the country's sole labor federation, warned in an editorial last month. As things now stand, it said, the low yields this year are already "a dead weight on the profitability of producers and the national economy."

Such a situation, the newspaper continued, would inevitably "damage the national capacity to resist the blockade and other imperialist aggressions," a reference to the U.S. economic embargo, which has been in place for more than 35 years.

Cuban agricultural officials, said Carmelo Mesa Lago, an expert on the Cuban economy at the University of Pittsburgh, "were so desperate last year to get the biggest harvest possible that they worked into June, which meant they cut cane that was not ripe and delayed the process of cleaning, preparing and sowing the fields. That mortgaged the 1997 harvest."

Mr. Castro attributed the decline primarily to the hurricane designated Lilly, which damaged several mills when it swept through the Cuban countryside in October, and to tighter U.S. sanctions, which he maintained had made it more difficult for Cuba to buy fertilizer, herbicides and other supplies. He also spoke of "subjective factors," without being more specific.

But Juan Varela, a journalist who covers the sugar industry for Cuban state radio, said in a recent commentary that sugar mills were working at less than two-thirds of capacity, primarily because of "labor indiscipline" and the breakdown of machinery.

■ Exiles Demonstrate

Cuban exiles held a peaceful demonstration off Cuba's north coast over the weekend to promote a national work stoppage on the island, Reuters reported.

A dozen boats and a few planes gathered Saturday near Cuba's 12-mile territorial waters limit off Havana, where crew members held a prayer service and then turned back to Florida. The flotilla was far smaller than the Cuban exile group Democracy Movement had intended and the first of three planned before Pope John Paul II's visit to Cuba in early 1998.

It was the latest in a series of flotillas mounted by Miami-based Cuban exiles that have served to heighten tension between the United States and Cuba.

In Havana, Cuban media said navy vessels monitored the flotilla from inside Cuban territorial waters, but there were no incidents.



Mic Smith/The Associated Press

LET IT RIP — Graduates of the Citadel celebrating the year's end at commencement.

AMERICAN TOPICS

Feed the Birds? Not If You Value Freedom

All Suzanne Levy wanted to do was feed the birds. Instead she's facing a trial, complete with witnesses, in her hometown of New Rochelle, New York.

City officials say the bird feeder she put up is a structure, and that all structures require permits. She had no permit, and so faces a $250 fine or 15 days in jail if convicted.

"If it's a crime to feed birds, then they are going to have to put me in jail," Ms. Levy, a bartender, told The New York Times. "I'm only doing what eight out of 10 Americans do." She noted that other neighborhood structures, such as a wishing well and a basketball hoop, had been built without permits.

A neighbor, Joyce Alfano, says the bigger problem is a feeding table that Ms. Levy built around the feeder. "Twenty-five pigeons can land on that table at a time," said Ms. Alfano. "We had to power-wash the side of the house to get the droppings off."

But there is a Catch-22: Ms. Levy was ordered to build the table by another city agency. The Health Department had said that seeds falling on the ground constituted a violation because they could attract wild animals.

Ms. Levy believes City Hall should devote its attention to more pressing matters.

Short Takes

The house in Atlanta where Margaret Mitchell lived while writing her Civil War saga, "Gone With the Wind" has opened to the public as a museum after a $5.2 million renovation. "The Dump," as Miss Mitchell affectionately called it, was twice struck by arson since efforts began in the early 1990s to preserve it as a museum. The restoration was largely financed by the German automaker Daimler-Benz, which owned the house until handing it over to the city this month. Miss Mitchell and her husband lived for seven years in a cramped, one-bedroom apartment in the Tudor-style house.

Ernest Hemingway's birthday celebration will be a tasteful, family-oriented affair this year, held on Sanibel Island, the author's family said. Celebrations on Key West had become rather rowdy. Organizers recently canceled the festival there after the author's sons asked for a cut of the festival's proceeds and for greater control.

Festivities in Key West, where Hemingway lived off and on and completed "For Whom the Bell Tolls," included a lookalike contest and lots of partying.

On Sanibel, the new International Hemingway Festival, from July 18 to 20, will include a writer's conference and arts events.

"This is a new festival for a new generation of Hemingways," said Mina Hemingway, a granddaughter.

But a niece of the author, Lorian Hemingway, disagreed. "It seems sad that it's been ripped out of the place where he spent so much of his time and put in a place that doesn't toll the bells."

International Herald Tribune

Miss and Miss Again: 'Star Wars' Is No Closer

Modest Shield Is Years Away, Pentagon Says

By Tim Weiner
New York Times Service

WASHINGTON — Fourteen years and some $40 billion after President Ronald Reagan envisioned a "star wars" missile defense to shield the United States from nuclear attack, Pentagon officials say a far more modest system is still many years and many billions away.

Although they want to spend about $18 billion over the next five years on a variety of technologies designed to knock out enemy missiles in midair, Pentagon officials say such systems have failed most of their tests over the past decade and may not be ready in the next decade.

Paul Kaminski, the undersecretary of defense in charge of buying weapons, told members of Congress last week that the Pentagon's attempts to create a "hit to kill" system — to destroy an incoming test missile with another missile — had failed in 70 percent of the tests.

"If you look at our overall score of attempted hit-to-kill intercept tests on all programs since the early 1980s, it has been six hits out of 20 attempts," he testified.

"We can make a bullet hit a bullet," he said. "We can demonstrate that under ideal conditions. The next step is to move from hitting, not occasionally, but to hit routinely under stressful operational conditions," including "simulated wartime conditions."

The struggle to build a national missile defense system that could protect the United States from an enemy attack, or a regional defense that could protect troops in the theater of war, has been fraught with technological complexity, high cost and political rhetoric.

The system President Reagan first envisioned — a "peace shield" that would protect the entire nation from an all-out missile attack from Moscow — was scrapped for smaller systems that might defend the United States against attacks from Iran, Iraq or North Korea. The CIA estimates that such a threat will not materialize before 2010.

The systems now under development would be defenseless against a deliberate act of war by Russia or China, but would have "some capability" of defending against a handful of nuclear missiles launched in an accidental or unauthorized attack, Mr. Kaminski said.

Despite plans to deploy a national missile defense system by 2003, "recent events have highlighted the very high risk associated with the program," he added. The "very high risk" he cited meant that a completed system might not work even after spending another $18 billion.

Among the recent events Mr. Kaminski cited was a series of failed tests conducted under the auspices of the Ballistic Missile Defense Organization, the Pentagon agency set up to build missile defense systems. Most recently, in January, a missile designed to hit a target missile sat dead on the launch pad as the target streaked through the sky, setting the national missile defense program back at least a year, military officials said.

Four different hit-to-kill systems are under development. The Clinton administration wants to spend money on tests for the next three years, until 2000, and then decide which system to deploy by 2003. The "3 plus 3" plan is derided by conservatives in Congress who want to build a system sooner, perhaps by 2000.

Away From Politics

- **A moratorium on the cloning of human beings** by public or private institutions has been recommended by the National Bioethics Advisory Committee. It said such efforts would not be safe now because they would be too likely to result in malformed fetuses. *(NYT)*
- **Astronauts** worked to move thousands of pounds of supplies and equipment between Russia's orbiting Mir station and the docked space shuttle Atlantis, which will be returning to Earth. *(AP)*
- **Child endangerment charges** were dropped against Annette Sorensen, an actress from Copenhagen who had left her baby in a stroller on the sidewalk, by a New York City judge. Charges against the American father, Exavier Wardlaw, were not dismissed, and he faces trial next month. *(WP)*
- **The 46th Miss Universe pageant** was won by Brook Mahealani Lee, a 26-year-old from Hawaii, who topped 73 contestants. *(AP)*

POLITICAL NOTES

Governors Make Friends With Corporate 'Fellows'

WASHINGTON — In the past several years, a select group of America's biggest corporations have given millions of dollars to the National Governors' Association and an affiliated research arm. In return for their tax-deductible contributions, the corporations' lobbyists have gained unusual access to the governors' policy-making apparatus.

They take part in the governors' plenary meetings, attend receptions with governors, get briefings from the group's leaders and staff, and attend other events to help them "become better acquainted with governors' staff and to share common interests," an association fact sheet says.

They also frequently attend staff meetings that develop many of the governors' policy recommendations, giving them a chance to influence the formulation of state and federal regulations that can mean billions of dollars to participating companies. Among them are corporations as diverse as AT&T, Exxon, General Motors, Dow Chemical, Pfizer, Blue Cross/Blue Shield, Philip Morris, and Goldman, Sachs & Co.

The bipartisan governors' group, which actively recruited the corporate "fellows," defends the practice as perfectly legal and aimed only at getting the best advice on important issues. But critics say it gives the corporations a lobbying advantage unavailable to their adversaries on major policy issues. *(NYT)*

Call for More Defense Cuts

WASHINGTON — Defense Secretary William Cohen has challenged lawmakers to put aside parochial interests and support the closing of more military bases and reductions in the National Guard.

He defended the moves as necessary to step up purchases of new weapons and equipment after years of declining military procurement.

"I'll put it to the Congress and say: Would you rather protect bases or put modern equipment in the hands of soldiers?" Mr. Cohen said at a press briefing before the formal release Monday of a major Pentagon review of military strategy and capabilities. Mr. Cohen indicated that he was bracing for a fight, given the economic benefits that many political districts draw from hosting military bases and reserve units. *(WP)*

ABC Cancels Broadcast

NEW YORK — ABC News management abruptly canceled a report about abuses by Congress that was scheduled to be broadcast on its newsmagazine program "20/20," and one participant in the report contended that the network had acted out of fear of alienating members of Congress.

ABC News executives dismissed the contention as groundless, saying the report was pulled simply because its reporting was inadequate.

The "20/20" report, based on a book to be published next week by Ronald Kessler, a former Washington Post reporter, had been scheduled for Friday night and was promoted on earlier ABC shows.

The report contained revelations about spending on expensive furniture for committee chairmen and sexual excesses by members of Congress. *(NYT)*

Quote/Unquote

President Bill Clinton, addressing the few remaining survivors and relatives of the infamous Tuskegee experiment, in which 399 black men were left untreated for syphilis for decades as part of a federal government study: "What was done cannot be undone, but we can end the silence. We can stop turning our heads away, we can look at you, in the eye, and finally say, on behalf of the American people: what the United States government did was shameful, and I am sorry." *(NYT)*

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Herald Tribune

This section coincides with the Le Bourget Air Show with bonus distribution during the show.
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THE WORLD'S DAILY NEWSPAPER

Men gathering outside a nightclub in Ciudad Juarez, where some soldiers look for sex. In the U.S. military, adultery is common, and commonly overlooked, even if not nearly as overt as it was just a few decades ago.

At Fort Bliss, officials acknowledged reprimanding soldiers for adultery. But they said they were unaware of any cases stemming from visits to brothels in Juarez, although soldiers and the prostitutes themselves said it was common enough.

At one brothel, the Pink Lady, a prostitute named Cristal estimated that half the American soldiers she saw were married.

Some experts on the military say such vagaries make the point that the chain of command has no business in prosecuting an affair of the heart as a crime, when the civilian legal system declared it off limits long ago.

"We are talking here about, at best, what would be called lifestyle offenses," said Todd Vogts, director of Citizen Soldier, a veterans group. "In 1997, if someone no longer wants to honor their marital vows, I don't think the criminal justice system has any place in it."

CRITICS cite other inconsistencies. The willingness to pursue charges varies depending on the commander as well as the branch of the service. The air force takes a much tougher line than the army, which experts said was harder than the navy or the Marines.

Lawrence Korb, a senior fellow at the Brookings Institution, said the rule on adultery should be used selectively against any service member who becomes too much trouble, and an affair among the problems.

Soldiers themselves seem torn. Nearly 100 soldiers interviewed during a week in Juarez and El Paso — whether in brothels or nightclubs or walking their dogs with their wives — said adultery was illegal in the military for good reason. Soldiers need discipline and should be held to a higher standard than others.

Where [illegible] deployed you are not doing it, whether you are on a ship or in the field," said Master Sgt. Paul Geyer, 34, a married man. "But one of the things you do do is talk about home."

But many soldiers said they wondered if the punishment was sometimes too harsh, especially in a case like that of Lieutenant Flinn. A married staff sergeant in the air force, Antonia Rivera, said: "The guy's dumb, then she does it [illegible] gets in trouble."

But he said that adultery still had no place in the military.

Treat Out Breakdown

Pennsylvania, Indiana, New York, West Virginia. She did not know the number of workers affected.

"We have some of the frequency issues, but we still had enough to reroute the planes and reroute the passengers," she said.

Investigators were trying to determine the cause of the problem.

"They are looking at a possible MCI communications problem," she said.

But Forrest, the union's president, blamed most of the problem on power failure and said a backup supply system installed by MCI Corp. failed partly [illegible].

Technicians were able to restore the system after about an hour by bypassing the failed system, Ms. Warner said.

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Defying Pressure, Burmese Junta Shows No Sign of Easing Its Grip

By R. Jeffrey Smith
Washington Post Service

RANGOON — The police captain at the first checkpoint on the road leading to the home of Daw Aung San Suu Kyi, the 1991 Nobel Peace Prize winner, was unyielding as he blocked the path of a taxi and insisted that foreigners were "not allowed to visit" her walled compound.

When an American visitor with an appointment to see Daw Aung San Suu Kyi at her home, less than a mile away, asked why, the captain — who gave his name as Thein — would only say, again and again: "Because of the order."

Thirty-five years after seizing control of this country, and seven years after annulling democratic elections won by Daw Aung San Suu Kyi's political party, the Burmese military regime is accustomed to issuing orders without providing explanations. Many citizens here — after looking around for spies of the government — say that its decisions are arbitrary, corrupt or inept and can be carried out with lethal brutality. As a result, they say, its leaders remain widely hated and greatly feared.

Despite the public's animosity, and the growing hostility of the Clinton administration, however, the military's grip on power in this Southeast Asian nation of 48 million shows no signs of slackening. In fact, the generals may even be getting stronger because of new repressive measures instituted in the past seven months against Daw Aung San Suu Kyi and her supporters.

Hundreds of university students have been jailed since protests against government education policies and police tactics flared briefly in December. The arrests have effectively decapitated the student movement, several diplomats said. Universities, which have been a crucible of anti-government sentiment in Burma since 1920, were abruptly shut with no date set for reopening.

Separately, a fierce offensive by as many as 100,000 troops since February has routed insurgent forces allied with the Karen National Union, an ethnically based party in Karen state, east of the capital. That party, until its repression in 1995, played a key role in opposing the military regime.

In the past year, the military junta here has persuaded a half-dozen other ethnic minorities that controlled vast areas in northern and western Burma to sign cease-fire agreements by promising them more autonomy and — according to several Western diplomats — permitting them to cultivate and refine a substantial portion of the opium gum that winds up on U.S. streets as heroin.

In addition, the military has jailed as many as 300 members of the National League for Democracy, the chief opposition party and the platform for Daw Aung San Suu Kyi's activities, since last summer, including several of her close aides.

Daw Aung San Suu Kyi, the charismatic daughter of the architect of Burma's independence from the British in 1948, has been blocked from making any public speeches since November. She also has been forced to restrict her movements outside the compound since hundreds of men in civilian garb were allowed to pass through a government cordon that month to attack her motorcade and beat up many of her supporters.

Interviews with dozens of people during a week of traveling in Burma suggested that public discontent is heightened by the country's economic failures. Government statistics indicate the economy's growth rate has been falling steadily since changes were introduced in 1992 to move the country away from socialism toward a more market-oriented system.

Inflation exceeds 30 percent, defense expenditures reportedly consume as much as 50 percent of the budget, and corruption and inefficiency are rife at hundreds of large state-owned corporations or private firms controlled by senior military officers. Without striking a deal with such a firm, or handing over at least a 5 percent commission to an officer, it is virtually impossible to invest here, according to foreign executives.

Conditions outside this capital are stark. "They are basically losing a generation," a diplomat said. "Their infant mortality and life expectancy rates are as bad as you might find in the worst nations of Africa."

But the armed forces have prospered since 1988, when the State Law and Order Restoration Council was formed to bring military officials into a more direct governing role. The number of troops, then 186,000, has doubled.

To stem a grave shortage of foreign currency and build up its domestic manufacturing industry, the government last summer banned all imports of nonessential goods — creating what is described as a brisk under-the-counter trade.

But the measure did little to promote the creation of factories in this overwhelmingly agricultural nation, with the result that few up-to-date consumer goods are on display.

The Clinton administration last month banned most U.S. investment in Burma because of the government's failure to thwart the drug trade. But with few American goods in evidence and few joint ventures with American firms outside the oil and gas sector, the sanctions are not expected to cause much harm to Burma's economy.

There appears to be a consensus among Western diplomats here that as bad as Daw Aung San Suu Kyi's situation is now, it may become even more grim after a decision on Burmese membership in the Association of South East Asian Nations, which could formally rule on the issue as early as July. Many diplomats see the military's recent actions as having been relatively restrained by a desire to avoid embarrassing its ASEAN neighbors on the eve of the vote.

"If they get in, they will likely lock her up again," a senior diplomat said.

From Burma, With Good Will

Heroin Suspect Is Caught and Returned to Thailand

By Seth Mydans
New York Times Service

BANGKOK — The chief suspect sought by the police after the biggest heroin seizure in U.S. history has been captured in Burma and was returned over the weekend to Thailand, where he had jumped bail earlier this year, authorities in Burma said.

The suspect, Li Yung Chung, had been granted bail in Thailand in February despite a request from the United States for his extradition in connection with 1,070 pounds (485 kilograms) of heroin seized in a warehouse in Hayward, California, in May 1991. U.S. officials estimated the street value of the drugs at more than $1 billion.

His release on bail had violated normal Thai procedures and drawn protests from U.S. officials. Mr. Li was indicted a year ago in a New York court and could face life in prison on drug-trafficking charges.

Mr. Li, who holds a Thai identity card under the name Phongsak Rogjanasakul, was flown to Thailand on Saturday on the final day of a two-day visit to Burma by the Thai prime minister.

The Burmese authorities said he was being returned as a goodwill gesture to Thailand and as a contribution to the regional battle against drug trafficking.

The visit of the prime minister, Chavalit Yongchaiyudh, came one month after the United States imposed economic sanctions on Burma. It was a clear statement that Thailand, along with other nations in the region, would continue to promote economic and political ties with the Burmese.

The seven ASEAN nations appeared ready to accept Burma — along with Cambodia and Laos — as members this year, despite the human-rights abuses that led to the U.S. sanctions.

A joint statement Saturday at the conclusion of Mr. Chavalit's visit affirmed the region's hands-off policy, stating that each nation had "the right to pursue its own path of national development," and that "outside interference is counterproductive."

Mr. Chavalit has been a longtime friend of the Burmese military junta and, as defense minister, was the first foreign official to visit Burma after a 1988 crackdown in which hundreds of pro-democracy protesters were killed.

Thailand and other members of the Association of South East Asian Nations — Malaysia, Singapore, Indonesia, the Philippines, Vietnam and Brunei — have taken advantage of Burma's liberalized trade policies.

They assert a policy of "constructive engagement," rather than public criticism and confrontation.

Saturday's statement affirmed Thailand's support for the admission of Burma into the regional grouping so that "Southeast Asia could become a truly united community of nations."

The return Saturday of Mr. Li came in response to a request from Thailand, which had been embarrassed by his release on bail, a move that violated its own legal procedures.



The Associated Press

Li Yung Chung, wanted in New York on heroin-trafficking charges, after arriving in Bangkok. Mr. Li had fled Thailand after he was granted bail there despite a U.S. extradition request.

BRIEFLY

Bangladeshi Coast Girds for Cyclone

CHITTAGONG, Bangladesh — Thousands of volunteers on Sunday started evacuating millions of people from the path of a cyclone heading toward the Bangladesh coast from the Bay of Bengal.

"Around 15 million people live on the coast and nearby islands, and it's a difficult task to get them away from the feared cyclone," a safety official said.

"We have already started the process because the cyclone now looks definitely heading toward our coast," he said.

At least 33,000 government and Red Crescent volunteers fanned out in Bangladesh's coastal areas on Sunday after weather officials said the storm, with winds up to 200 kilometers an hour (120 miles an hour), might hit the coast by early Monday. *(Reuters)*

Chinese Dissident Visits Hong Kong

HONG KONG — Chai Ling, a self-exiled leader of the 1989 pro-democracy movement, has arrived in Hong Kong for a short visit before the territory's return to Chinese rule on July 1, Hong Kong government radio said Sunday.

The radio quoted a source close to the dissident as saying that Miss Chai had arrived at Hong Kong on Saturday to "understand conditions here." *(Reuters)*

Protesters Take To Streets of Taipei

TAIPEI — More than 50,000 demonstrators marched on the presidential office Sunday to protest against President Lee Teng-hui's failure to replace the prime minister in response to growing concerns about crime.

In the second major protest this month urging the government to fight rising crime, demonstrators carried placards demanding the immediate dismissal of Prime Minister Lien Chan.

On Thursday, Mr. Lee accepted the blame for what he called Taiwan's worsening social order and accepted the offer of his hand-picked prime minister to quit in July, but that has not satisfied the protesters. *(Reuters)*

VOICES From Asia

Chris Patten, governor of Hong Kong, warning Sunday against allowing the territory to fall victim to "creeping socialism," just weeks before Hong Kong's reversion to Chinese rule: "If I've learned one important lesson from my five years in Hong Kong, it's to leave well alone when it comes to economic management." *(AFP)*

KOREA: *President Kim's Son Is Arrested*

Continued from Page 1

as key to stability on the edgy Korean Peninsula, may be delayed until a new South Korean president takes office.

The arrest of the younger Mr. Kim has caused a sensation in South Korea. When he was driven to the prosecutor's office for questioning last week, the 30-minute trip by motorcade from his home was broadcast live on national television.

The arrest has captivated the nation partly because of the depth of the corruption it represents, and partly because many see it as proof of the health and maturity of South Korean democracy.

Mr. Kim's government is the first in modern times to be headed by a popularly elected civilian politician with no military ties. In three decades of authoritarian rule that preceded Mr. Kim's presidency, the idea that a close relative of the nation's leader might be arrested was laughable.

Previous military leaders considered themselves "all powerful, all-knowing, omnipotent untouchables," said Lee Jung Hoon, who teaches political science at Seoul's Yonsei University. "To have a son arrested during a president's term is quite big news. But the public opinion was so strong, government prosecutors could not have let him walk."

President Kim ordered the prosecution of his two immediate predecessors, Roh Tae Woo and Chun Doo Hwan, who are now serving jail terms for corruption and treason. But numerous scandals close to him have led to allegations by opposition politicians that the president himself is corrupt and should step down.

Prosecutors said the younger Mr. Kim had hidden $16.3 million in the 100 secret bank accounts he maintained — exactly the kind of accounts his father outlawed as part of fiscal reforms to root out corruption in South Korea. So far, prosecutors have been able to account for only $7.3 million of the money in the accounts.

INDONESIA: *Election Rivals Clash*

Continued from Page 1

olence and keep the two sides apart.

General Hamami said the situation was "still within the limits of tolerance," adding that the city was "relatively safe."

The police chief reported no arrests or injuries and calm appeared to return to most areas after nightfall Sunday.

On Saturday, the police used tear gas and rubber bullets to disperse about 2,000 stone-throwing members of the United Development Party in the Jati Negara district of eastern Jakarta. They were protesting being barred from a street previously open to Golkar.

Meanwhile, about 100 supporters of Golkar reportedly attacked a mosque Sunday, apparently in an attempt to provoke pro-United Development Party residents in the central Java town of Sleman, about 400 kilometers (250 miles) east of Jakarta.

Witnesses said about 200 police officers dispersed the group before outraged residents could retaliate. *(Reuters)*

■ Kwangju Victims Honored

In emotional scenes Sunday in Kwangju, the victims of a 1980 army massacre in the city were honored as heroes of democracy, Reuters reported.

But ceremonies at a newly dedicated cemetery that were attended by about 5,000 residents were marred by vicious fighting between students and the police. About 3,000 students hurling rocks and firebombs battled riot police at Chosun University for the second night in a row.

ROBOTS: *What Runs the Store and Won't Smash Your Sushi?*

Continued from Page 1

their opinion. Tsuneo Kanetsuka, president of Super 24 Corp., said plans were in the works for a RoboShop on Fifth Avenue in New York, as well as 20 more shops in Tokyo and 20 smaller robot-controlled vending kiosks.

Mr. Kanetsuka said RoboShop taps into the current wave of "silent consuming," in which buyers purchase goods through mail-order or even through e-mail on the Internet without ever talking to a human sales clerk.

"This is everybody's dream," Mr. Kanetsuka said.

He added that his company saved money on employee salaries and passed those savings on to consumers: A can of Coke costs about 92 cents just about everywhere else in Japan, but at RoboShop it is 75 cents.

Mr. Kanetsuka also said manufacturers had a chance to display new or unusual items that many traditional convenience stores did not carry. RoboShop features a broad range of products commonly found in Japanese shops, from sandwiches and noodles to sodas and cologne and Japan's hugely popular serialized comic books known as *manga*.

But the shop also carries an eclectic mix of $90 French watches, pet shampoo, condoms in little packages that look like Japanese passports, a $700 bottle of bumblebee extract that is supposed to be a health tonic and a $90 package of herbal tea.

RoboShop is essentially a huge vending machine — although it is far more elaborate. Still, it is the logical next step, given Japan's position as vending machine capital of the world.

Just about anything, from whiskey to meat to flowers to clothing, is available in the 5.4 million machines here, which sell about $42 billion worth of goods each year.

Mr. Kanetsuka's company got its start selling pajamas, underwear and bras out of vending machines, and it still operates 200 machines nationwide.

Junichi Nozaki, 38, a vending machine designer, stopped by RoboShop this week to check out the new technology — and to buy a couple of pastries. He said he found RoboShop's ordering keyboards a little complicated and the robot a bit slow. But he said it was an exceptional first effort, and he thought it would succeed in Japan's extremely competitive technology market.

"In the future, I think there will be a shop like this in every office building," he said. "But it needs to be simplified. We Japanese like new things, but at the same time people get bored quickly. Designers have to develop something new all the time."

Just down the street at the MiniStop convenience store, Yumiko Shimuzu, the manager, was not worried about the new robot on the block. "I never see anyone in there," she said, adding that a computerized shop would never be able to match the fast service and a warm "hello" delivered by a human being.

"People are not used to having no people around," she said.

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EUROPE

Russia Moves to Brink Of an AIDS Epidemic

Drugs and Sexual Activity Fuel Increase

By Michael Specter
New York Times Service

MOSCOW — Fueled by a convergence of surging drug abuse and increased sexual activity, Russia stands on the precipice of an AIDS epidemic every bit as explosive as the one that swept through Europe and the United States 15 years ago.

The nation's leading AIDS experts, fully aware after the fall of communism that an open society would bring a rising risk of all sexually transmitted diseases, have long forecast that the number of reported AIDS cases would climb.

Although the raw numbers are minuscule compared with those in Africa or even the United States, officials routinely state that reported infections represent no more than 10 percent of the true figures. But even the reported figures tell a harrowing story of the rapid, exponential advance of the epidemic in a country whose health-care budget has far more in common with those of the Third World than with the United States, where expensive new drugs have brought hope to many.

"This epidemic started slowly in Russia," said Alexander Goliusov, the federal Health Ministry's chief AIDS specialist. "But now it has caught on fire. Before, we could talk about controlling it or limiting the damage. Now the catastrophe is real."

Last year 1,500 new cases of HIV infection were reported in Russia, more than the official figure for the first nine years of the epidemic combined. For the first quarter of this year, according to preliminary data from the Health Ministry, the numbers have already outstripped those for 1996.

Taking into consideration the many cases that are never reported, federal health officials now say that by the end of 1997 there could be 100,000 people infected with HIV, the virus that causes AIDS, in Russia. By the year 2000, they believe, the figure will be 800,000.

There are many reasons for the huge surge of HIV infection in Russia, and most of them are related. The vast majority of new infections are among Russia's 600,000 intravenous drug abusers — who are most efficient at spreading the virus and least susceptible to counseling or education efforts of any kind.

Poor border control in the chaotic aftermath of the fall of the Soviet Union has permitted the smuggling and abuse of narcotics to soar over the last five years. And a new era of complete freedom has caused sexually transmitted diseases like syphilis, herpes and gonorrhea to spread more rapidly here than anywhere else in the world.

The prevalence of sexually transmitted diseases has always been an excellent barometer for the incidence of AIDS — in part because those diseases can increase the possibility of HIV infections, and in part because they provide a good way to measure the sexual activity of a population.

In 1996, according to government statistics, 10 million people in Russia had some sexually transmitted disease. Russia had 217 cases of syphilis per 100,000 people, a rate that is more than 50 times that in the United States or Europe. Seven years ago the figure for Russia was only six cases per 100,000.

"How can there possibly be an enormous epidemic of diseases like syphilis and almost no spread of AIDS?" said Dr. Irina Savchenko, an epidemiologist at the Russian AIDS Center in Moscow.

"There can't be," she said. "Either there are too many cases of syphilis or there are too few of AIDS. And believe me, we are not overreporting syphilis."

The impact of the epidemic has been heightened by the almost complete lack of educational or preventive measures available. When AIDS was first reported in Russia in 1987, the earliest victims were gay men, and the illness was treated by Soviet authorities as the evil effect of a bourgeois, Western-style life.

By the early 1990s, when political instability became the central fact of Russian life, even tentative efforts to teach AIDS awareness came to a halt. In 1991, just at the moment when Russia's sexual freedoms became most obvious and pronounced, the Institute of Preventive Medicine stopped translating AIDS information booklets from foreign languages. Money for even the most basic treatment became difficult to find.

The situation has become worse since then, because Russia has almost no money to spend on health care. According to the World Health Organization, a United Nations agency, a country should devote at least 5 percent of its gross domestic product to basic health care. Russia spends 2.2 percent.

Health Ministry figures suggest that it will cost at least $5 billion a year to treat Russia's AIDS patients in the year 2000. Today the entire federal health budget for the country is only twice that.

"Do you think it's a coincidence that the death rate in Russia exceeds the birth rate by 70 percent?" said Nikolai Gerasimenky, chairman of the Health Care committee in the Parliament. "We do not invest in the health of our citizens. I think we should have learned from the experience of others that prevention costs less than treatment and that if we don't spend money on AIDS education, people are going to die."

But that money is not going to be available soon. In 1995 the Health Ministry received less than half the money budgeted for its AIDS program, according to Mr. Goliusov. This year the budget for AIDS prevention and treatment programs is $8 million. But so far the Health Ministry has not received any of this.

19th Century Bell Falls in Frankfurt

Reuters

FRANKFURT — A bell weighing 1,810 kilograms (3,982 pounds) crashed five meters (16.5 feet) onto a concrete floor and smashed to pieces while being rung in one of Germany's most famous churches, the local fire department said Sunday.

The 167-year-old bell belonged to Frankfurt's Paulskirche, site of Germany's first democratic Parliament in 1848 and now used for civic occasions. No one was hurt in the Saturday incident.



Tim Ockenden/Agence France-Presse

Labour MP Denies Election Bribery

Mohammed Sarwar, new Labour MP for Glasgow, arriving at London's Heathrow Airport on Sunday. He said allegations in a newspaper that he bribed a rival candidate during the recent general election campaign were "totally false."

RIPPLES: *Waves From American Success*

Continued from Page 1

ditions in America, Europe and Japan. U.S. domination naturally meets resentment. Mr. Chirac, in China, pointedly embraces a "multipolar" world, code for one not dominated by the United States. The Chinese applaud him.

But in a post-ideological and Webbed world, the insistent fact that America works seems, for now, hard to resist.

"I am struck when I travel by the way that Bill Gates of Microsoft and Andy Grove of Intel have become international heroes," said Robert Hormats, the deputy chairman of Goldman Sachs International.

"They are seen as representing an entrepreneurial renaissance that has, at the same time, placed Clinton's America in the vanguard of international technology and created millions of jobs."

The age of Gates-Groveism is reinforced by the fact that their medium is their message: The technology that is linking and changing the world carries its own political and economic impact, reducing politicians' room for maneuver.

In Japan, once a bastion of regulation, it is now almost universally accepted that government interference in the economy is unhelpful. Parliamentary campaigning last fall was dominated by candidates calling for a freer economy, for in Japan the perception is strong that America leads in new technologies because of its flexible capital markets and Clintonian pragmatism.

In Canada, the central policy of the Liberal government of Prime Minister Jean Chretien has been deficit reduction; next budget year, for the first time in nearly three decades, the government may not need to borrow any money at all. Now ministers focus on when to cut taxes and by how much, and debate in the campaign for June 2 elections turns on not whether to shrink government but by how much.

At the depressed heart of the welfare state, in France, change is less clear cut and more contested. Nonetheless, amid coded signals and continuing taboos over endorsing "Anglo-Saxon" economic models, Mr. Chirac's Gaullist party and other members of his right-of-center coalition have been making clear that they believe the age of the government *fonctionnaire* is over.

Finance Minister Jean Arthuis went so far as to declare last week that he was delighted that "the welfare state is finished," adding that "too much state kills the state."

In a country where the state's role as guarantor of welfare, engine of industry and nexus of society has long been assumed, and where the number of functionaries has risen to 5.5 million from 4.4 million in the past 15 years, such a statement was revolutionary in its audacity. But it is no longer blasphemy.

In response, France's Socialists talk about being a modern party and providing seed capital to small and medium-sized industry. But the party's discourse is still marked by a brand of socialism that promises 350,000 new state-sector jobs to fight unemployment of 12.8 percent.

So far, this message seems to have left voters unconvinced, and thus, Mr. Chirac's government is favored to win the election despite its deep unpopularity during the past two years.

One of the interesting aspects of the campaign is the desire expressed in many quarters for an apolitical but effective prime minister; voters often voice a preference for Christian Blanc, the blunt, hard-driving, telegenic government employee who has wrested state-owned Air France from disaster and prepared it for privatization.

Mr. Blanc was a Socialist, but now says, "I don't give a damn about ideology — all I care about is effectiveness." He says he still values socialism's emphasis on human dignity, solidarity, the general interest and the need to fight injustice. But economic socialism is bunk.

The words could have come from Mr. Blair, who has not questioned Margaret Thatcher's sweeping privatizations but has put improvements in education and health care at the heart of his program. He has also proposed a "welfare-to-work program" financed by a levy on "the excess profits of the privatized utilities." The very notion of "excess profits" seems unthinkable in America.

It is in such matters where the critical test of the U.S.-led global political revolution may lie. Without genuine sensitivity toward those on the wrong end of the changes, the seeds of upheaval could be planted.

The end of the last century brought a similarly sweeping revolution — the cars, trains and industries that made nations whole and brought the masses closer to political life.

Few imagined then how those trends would be exploited by Fascists and Communists, leading to tens of millions of deaths. The U.S.-led shift in civilization is full of promise; but its ultimate consequences remain unclear.

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EUROPE

Koranic Fervor Shakes Turkey's Foundations

By Stephen Kinzer
New York Times Service

ISTANBUL — When Turkey's National Security Council met in February, military commanders who were demanding that Prime Minister Necmettin Erbakan retreat from his Islamist ideology showed a video that police agents had secretly recorded.

Witnesses say the video showed students at a private Islamic school lining up to file past, and spit on, a bust of Mustafa Kemal Ataturk, the revered leader who transformed Turkey from an Islamic state into a secular one three-quarters of a century ago.

"I swear by Allah," the students then vowed in unison, "to strive to create a state based on religion and Islamic law in Turkey and to devote myself to the war against Mustafa Kemal atheism."

The country's top military officers consider themselves the ultimate guardians of Turkish secularism, and so after they showed the video and presented other evidence, they demanded a crackdown on all aspects of Islamic education here. Mr. Erbakan agreed — although he and members of his party remain highly reluctant to keep their commitment.

The issue of religious education is now at the center of the conflict between secularists and Islamists that is shaking Turkey. It has led to a highly emotional debate that could determine the fate of Mr. Erbakan's government, shape future election results and even tip the balance for or against a military coup.

No one knows how many unlicensed Koran courses exist, but at least some of them are evidently being used as training grounds for militants who hope to impose an Islamic-based political order here. Military commanders find that intolerable and want all the courses shut immediately.

In addition, hundreds of religious academies function legally, and those pose a more complex challenge. They offer religious instruction in addition to a full curriculum similar to that in other schools. The military has decided that they are shaping fundamentalists, and is insisting that the government close or restrict them.

Parents and alumni, backed by Islamist groups, are angrily resisting this demand, and last Sunday they drew a crowd of more than 100,000 people to a protest in Istanbul.

Two months after the meeting at which the video was shown, military commanders again confronted Mr. Erbakan and warned him that they would tolerate no further delay in the crackdown he promised. Soon afterward, the police shut down several dozen unlicensed Islamic schools like the one where the video was made.

But the commanders remain far from satisfied, and they have found support from leaders of the secular True Path Party, which is Mr. Erbakan's coalition partner. Interior Minister Meral Aksener, who is from True Path, said recently that the unlicensed Koran schools closed so far represented only 2 percent of those that exist. She vowed to close the rest.

According to Turkish law, all courses in the Koran, the Muslim holy book, must be registered with the government, which approves instructors, courses of study and textbooks. But hundreds of Koran courses are believed to be operating without government approval, and with the new crackdown many are dropping out of sight. Some apparently have closed voluntarily, but others are believed to be operating clandestinely.

At an Istanbul dormitory for public school students, a religious teacher emerged to greet visitors one day recently, pointedly refusing to shake the hand of a woman in the group. Asked if he was running an unlicensed Koran school, as neighbors believe, he replied, "This is only a dormitory, but we teach the Koran to anyone who asks."

Besides the Koran courses, military commanders and secularist civilians have focused their displeasure on religious grammar schools and high schools. Those academies first appeared decades ago to train imams, who lead Muslim prayers, and other Islamic scholars. But their numbers have grown in recent years to more than 600, and the military says they now produce at least 10 times more graduates each year than there are places for imams and religious teachers.



A Turkish soldier manning a checkpoint near the Habur border crossing between Turkey and Iraq.

Ankara Vows to Crush Rebels in North Iraq

The Associated Press

HABUR, Turkey — As Turkey vowed to keep troops in northern Iraq until it suppressed Turkish Kurdish rebels there, an Iraqi Kurdish faction said Sunday it also was continuing to battle the rebels.

The Iraqi Kurdish group that controls areas south of the Turkish border said it was battling the rebels of the Kurdish Workers Party, or PKK, in the Iraqi Kurdish capital, Arbil.

A spokesman for the Iraqi Kurdistan Democratic Party, or KDP, was quoted by the Middle East News Agency as saying that his group was trying to evict the Turkish Kurdish guerrillas from Arbil. He claimed that the Kurdish Workers Party's activities there threatened peace and security in the city and hampered relief work by the United Nations and other aid agencies.

The Turkish Foreign Ministry said Sunday that its troops would not leave until the rebels were "rendered inefficient."

On Saturday, Turkish officials said 902 guerrillas had been killed since Wednesday, when Turkish troops, estimated to number from 25,000 to 50,000, crossed the border backed by tanks and air power. The death toll among Turkish troops was put at 12.

But Med-TV, a pro-Workers Party television network based in Brussels, said that the rebel death toll was exaggerated and that 40 soldiers had been killed. It also said the rebels had downed a Cobra helicopter near the border region. Irfan Dogan, a spokesman for the television network, said at least 14 Workers Party guerrillas were killed Saturday. Each spring for four years, Turkey has made incursions across the border to destroy rebel bases there, but this time it claimed it went in to help the Kurdistan Democratic Party regain control of the region.

While the that party fought a rival Iraqi Kurdish faction last fall, the Kurdish Workers Party used the opportunity to increase its hold on the mountainous region that stretches 30 kilometers south of the Turkish border.

Turkey's incursion has drawn protests from Baghdad and Arab countries. The UN secretary general, Kofi Annan, also has also demanded that Turkey withdraw its troops from Iraq. UN relief operations, as well the food supply for the Iraqi Kurdish region, could be jeopardized by the incursion.

Grading Italy For the Euro: Poor Marks, But It's Trying

By Celestine Bohlen
New York Times Service

ROME — If Prime Minister Romano Prodi were still in school, he would be the kind of pupil who arrives in the classroom early, gets his homework done on time, puts his hand up in front of the teacher's nose — and still fails to get straight A's.

In this case, the evaluation is coming not from Italian voters but from the country's northern European neighbors — Germany in particular. Despite the efforts of Mr. Prodi's center-left government, they continue to give Italy poor marks as a fiscal partner for the planned introduction in 1999 of a common European currency known as the euro.

Mr. Prodi is left wondering what more he can do. A former economics professor who entered politics just two years ago, he has held office for more than a year in a country where, for the last 50 years, governments on average lasted only nine months.

In his brief time, he has succeeded in halving Italy's budget deficit, bringing it within range of the requirement — no more than 3 percent of gross domestic product — set for joining the common currency.

Recently, in a two-hour television special, he announced a public campaign to trim pensions, the opening round in a long-expected structural reform of Italy's welfare state.

But each week seems to bring more bad news for Italy's hopes to qualify as a founding member of the euro club. From Brussels, the capital of the European Union, come periodic reports showing Italy lagging in budget-deficit goals.

From Germany come skeptical noises from bankers and politicians.

The new British prime minister, Tony Blair, recently left Italy off a list of Europe's top economic powers, though the country's gross domestic product outstrips that of his own.

Like many Italians, Mr. Prodi accepts much of this as the residue of Italy's reputation for reckless public spending, unsteady institutions and an easygoing lifestyle.

With the German elections next year falling smack in the middle of the euro timetable, Mr. Prodi sees the coming test for Italy as more political than economic.

"In Germany, any politician has to listen to a public opinion that thinks that the Deutsche mark is the best currency in the world, that will give it up only for another strong currency and that thinks that any links to the Italian lira will only weaken the currency," he said in an interview.

"We have two ways to deal with the prejudice. We can either give up — which is impossible — or show that we can stick it out. That is why I am adamant, why I never have had a moment's hesitation, why I keep making it clear that we will follow all the steps."

Getting into the first round of monetary union has been a steadfast goal of the Prodi government, which was elected in April 1996 as the first governing coalition to include the mainstream branch of Italy's former Communist Party.

It is also the issue that has thrown into sharp relief the government's reliance in Parliament on a minority party, the Refounded Communist Party, which is opposed to cuts in pensions and other benefits.

Italy is not alone in finding it difficult — politically and socially — to meet the criteria set down for monetary union by the Maastricht treaty of 1992. The call by President Jacques Chirac of France for early parliamentary elections is an attempt to win a mandate for the painful belt-tightening required by Maastricht. Germany's political parties are now trying to reach a consensus on another round of budget cuts.

Yet Italy alone has not been hit with a wave of Euroskepticism, even after the imposition of a one-year "Euro-tax" in an effort by the Prodi government to slash the deficit.

"No public opinion is as in favor of Europe as we are," Mr. Prodi said. "We still remember the Italy of one generation ago, an Italy without Europe. We came out of the war in a miserable way, and now we are where we are — with a gross national product that ranks between France and Britain. And that is all because of Europe, because of the enlargement of the market."

But a new report issued by the European Commission found that Italy has to do much more to bring its 1998 deficit to the 3 percent threshold. The report recommended "structural measures with a permanent impact on the budget" — measures that are likely to run into opposition from Mr. Prodi's hard-line Communist allies.

Other European countries have received similar warnings, but, according to news reports, Spain and Portugal — the two other southern European countries vying for entry into the currency union — got better marks.

The finals for euro qualification will take place early next year, when the EU finance ministers review economic statistics for 1997. Still, most experts agree that each country's fiscal track record will be judged much earlier.

But there are some Germans who dispute the popularly held notions that the new European currency would be better off without Italy. Hans Olaf Henkel, head of the leading German industrial association, told the Italian newspaper La Repubblica recently that excluding Italy — Europe's third largest economy — would have dangerous implications for both France and Germany, which would suffer if the lira, excluded from the euro, were to fall in value.

BRIEFLY

Armed Groups Ordered To Disband in Chechnya

GROZNY, Russia — The Chechen president on Sunday ordered armed groups in his republic disbanded as Chechens celebrated the signing of a formal peace treaty with Moscow.

President Aslan Maskhadov announced the move at a rally in the town of Stariye Atagi, south of Grozny, at which Chechens celebrated the treaty signing on May 12, Russian news agencies reported.

Mr. Maskhadov said that now that the long confrontation with Moscow was over, Chechens should show the world they can live peacefully and lawfully as they build their own independent state. For this the republic must be demilitarized, he said, according to Itar-Tass.

All Chechen fighters will be given the chance to join the newly forming Dzhokar Dudayev National Guard, and others can join the police, he said. *(AP)*

Thatcher Doesn't Like Blair Opening to IRA

WASHINGTON — Former Prime Minister Margaret Thatcher on Sunday sent a blunt message of opposition to the new Labour government over its decision to open talks with Sinn Fein, the political arm of the Irish Republican Army, without preconditions.

"I do not like it," Mrs. Thatcher said in a U.S. television interview. "You do not talk to people who support violence without getting an undertaking from them that violence will cease, at any rate during the talks."

Prime Minister Tony Blair last week offered talks between British officials and Sinn Fein without demanding a formal IRA cease-fire first.

His offer softened a ban the British, Irish and U.S. governments clamped on contacts with Sinn Fein after the IRA ended a 17-month truce in February 1996 in its war against British rule of Northern Ireland. *(Reuters)*

Pope Fetes 77th Birthday And Hopes to Reach 100

ROME — A jovial, healthy-looking Pope John Paul II marked his 77th birthday Sunday, saying that although he was approaching his "sunset," he hoped to live to be 100.

The pontiff was feted by children and other worshipers of a Rome parish at one of his regular Sunday morning visits to churches in the Italian capital.

Addressing the children, who asked him what his birthday promise was, he replied: "To be good."

When the children chanted the Polish birthday refrain "*sto lat*," he said: "Do you know that 'sto lat' means 'may you live 100 years'? Well then, I've got 23 to go. Let's hope so. Time passes." *(Reuters)*

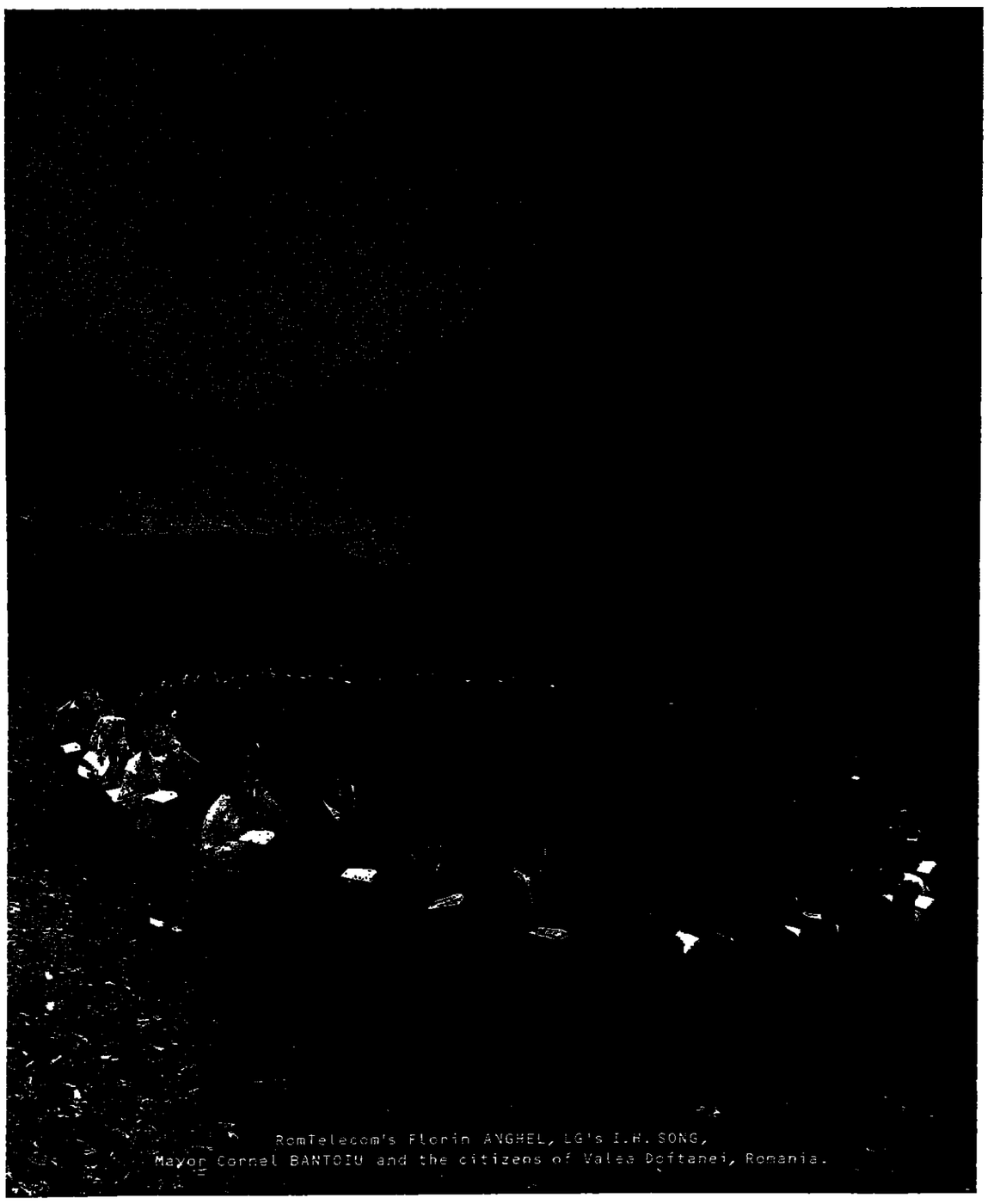
The EU This Week:

International Herald Tribune

Significant events in the European Union this week:

- Foreign ministers meet in The Hague on Tuesday to review the first full draft of new Union treaty that EU leaders hope to complete in Amsterdam next month.
- EU leaders gather for an informal summit in Noordwijk, the Netherlands, on Friday to give a final push to treaty talks. The meeting will give Prime Minister Tony Blair his first opportunity to demonstrate a more conciliatory British stance on European issues.
- The European Commission was expected to announce its antitrust ruling on the proposed link-up of British Airways and American Airlines on Wednesday. It has indicated it will request the two carriers to give up hundreds of takeoff and landing slots at London's Heathrow Airport to foster competition.

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Arafat Calls on Clinton To Intervene in 'Crisis'

By Barton Gellman
Washington Post Service

JERUSALEM — Yasser Arafat, who passed word that he was too busy to see the U.S. special envoy last week, has transmitted a letter to President Bill Clinton declaring the envoy's mission a failure and asking Mr. Clinton for his intervention in the deadlocked Israeli-Palestinian dialogue.

The mission of the envoy, Dennis Ross, and his team has ended "without achieving any progress," the Palestinian leader wrote, according to excerpts from the letter.

"The crisis in the peace process has deepened and threatens all our achievements," he wrote, adding, "Mr. President, times are difficult and this is the moment to save the process. We expect you to intervene to protect it."

The letter, which included several criticisms of Mr. Ross, followed two months of increasingly open Arab discontent with U.S. policy in the Middle East and with Mr. Ross in particular. In a meeting Friday afternoon at Mr. Ross's hotel room, according to officials present, the Palestinian negotiators Mahmoud Abbas and Saeb Erekat told Mr. Ross bluntly that they regarded him as pushing "an Israeli agenda."

Mr. Ross, according to knowledgeable officials, told the Palestinians that Mr. Arafat could not pressure the U.S. government by refusing to meet with him.

Mr. Ross also defended himself against the charge of pro-Israel bias, saying no one speaks more bluntly than he does to Prime Minister Benjamin Netanyahu of Israel about U.S. disagreements with Israeli settlement policy in the West Bank and about legitimate Palestinian concerns.

Hours before Mr. Ross's departure for Washington on Friday night, Mr. Arafat reversed course and invited him to a meeting in Nablus.

A Western diplomat briefed on that meeting said it "was very useful for clearing the air."

Since Israel started construction in March of a new Jewish neighborhood in East Jerusalem, and the United States twice vetoed UN Security Council resolutions condemning the move, Palestinians have spoken ever more darkly about the U.S. policy team.

Freih Abu Medein, who holds the justice portfolio in Mr. Arafat's Palestinian Authority, said last month that "five Zionist Jews" were running U.S. Middle East policy and added that it was implausible that a nation the size of the United States could find no one else to maintain diplomatic contacts with Palestinians.

He was referring to Secretary of State Madeleine Albright; Defense Secretary William Cohen; Mr. Ross; Mr. Ross's deputy, Aaron Miller, and the U.S. ambassador to Israel, Martin Indyk.

Mr. Ross, Mr. Miller and Mr. Indyk are Jewish. Mrs. Albright, who said she recently discovered her parents were Jewish, was raised as a Catholic and converted in adulthood to the Episcopal Church. Mr. Cohen, whose father was Jewish, does not identify as a member of the faith.

Senior Palestinian officials said in interviews offered on condition of anonymity that they had lost confidence in Mr. Ross and believed it was time for a new American envoy.

"President Arafat's position is that Dennis Ross has failed," a member of the Palestinian leader's inner circle said.



The Associated Press

Azam Azam, right, an Israeli Arab accused of spying in Egypt, and his alleged Egyptian confidant, Emad Abdel Hamid Ismael, appearing in court Sunday in Cairo. On trial since April 24, the two say they are innocent.

Israelis Play Down 'Spying' Quarrel With the U.S.

By Barton Gellman
Washington Post Service

JERUSALEM — Israel has informed the United States that an intercepted conversation between Israeli intelligence agents that led the FBI to suspect a senior U.S. official was passing sensitive information to Israel was an innocent reference to above-board channels of cooperation, officials from both countries say.

The account marks the first formal effort by Israel to explain its position in the case.

The Clinton administration has given no public indication of whether it accepts the Israeli explanation. But a U.S. official in Washington said the administration had accepted it as plausible and was inclined to believe it in the absence of any further evidence developed by an FBI investigation that has been under way for several months.

Even as Israel sought to allay U.S. suspicions, its ambassador in Washington recommended that Prime Minister Benjamin Netanyahu summon the U.S. ambassador in Tel Aviv for a protest over U.S. eavesdropping on Israel.

In a diplomatic cable disclosed by the Yedioth Aharonoth newspaper and authenticated by Israeli officials, Eliahu Ben Elissar, the Israeli ambassador, urged that Mr. Netanyahu protest the "wiretapping and secret surveillance" of Israeli officials in Washington and demand a halt to the FBI inquiry.

The FBI opened the investigation in January after the National Security Agency intercepted a discussion of a sensitive U.S. diplomatic document between a senior Israeli intelligence officer in Washington and a superior. The conversation referred to someone codenamed "Mega" in a way officials said suggested that Mega may be someone in the U.S. government who has provided information to Israel.

A source who read the National Security Agency transcript said the intelligence officer reported to his superior that Mr. Ben Elissar asked him "to go to Mega to get a copy" of a confidential letter from Warren Christopher, secretary of state at the time, to Yasser Arafat, the Palestinian leader. The superior rejected the request, replying, "This is not something we use Mega for."

In the explanation delivered to Washington, Israeli officials said Mega is the nickname the Mossad intelligence service uses for the Israel desk officer of the CIA. The Mossad station in Washington maintains close working relations with that officer, and, according to Israel's official account, Mr. Ben-Elissar suggested that channel for transmitting Israel's request to see the Christopher letter.

According to an Israeli official, Israel conveyed that explanation to Washington after Attorney General Janet Reno confirmed May 8 that the FBI was investigating the Mega case. U.S. officials could not confirm that sequence.

In public explanations of the affair, Israeli officials have scoffed at the alleged secrecy of the Christopher letter to Mr. Arafat, emphasizing that Mr. Netanyahu knew its contents because Dennis Ross, the U.S. special envoy, read it aloud to him. The letter offered U.S. assurances to the Palestinians after successful negotiations to withdraw Israeli troops from most of the West Bank city of Hebron.

They also said the newspaper Ha'aretz published quotations from the letter Jan. 31, arguing that Mr. Ben Elissar could have had no motive for using extraordinary means to obtain it. The intercepted conversation, however, took place in the second week of January, before Ha'aretz published the quotations.

Robert Campbell, Former Chief of Newsweek, Is Dead at 79

New York Times Service

Robert Campbell, 79, a former chairman, publisher and president of Newsweek magazine, died of Parkinson's disease Monday in Rancho Santa Fe, California.

Mr. Campbell, who spent three decades with Newsweek before he retired in 1979, began his career with the magazine as an advertising salesman in California. After holding a broad range of executive posts, in 1966 he was named managing director of Newsweek International. Six years later he was appointed publisher of Newsweek. He added the title of president in 1975 and became chairman the following year.

Mr. Campbell was a graduate of Northwestern University, a fighter pilot during World War II and was involved in the Berlin airlift in 1948-49. He was recalled to active duty during the Korean War and held the rank of brigadier general (retired) in the air force.

Prasit Lulitanon, 87, one of the founders of the English-language Bangkok Post and a leading journalist who spent nine years in jail as a political prisoner, has died of leukemia, the Post said Sunday.

Saadallah Wannous, 56, whose caustic plays and social criticism about the Arabs' political decline made him one of the Arab world's top playwrights, died of cancer Thursday in Damascus.

BRIEFLY

Iraqis Will Receive Syrian Delegation

DAMASCUS — Syria will send a high-ranking economic delegation to Iraq, a step that suggests improved relations between two countries that have been at odds for nearly 20 years.

The delegation will reach Iraq on Monday for a four-day visit that is expected to focus on possible Syrian exports to Iraq under the UN oil-for-food deal that began in December.

Sanctions imposed after Iraq invaded Kuwait in 1990 prevent flights to Iraq, so the delegation must cross the Syrian-Iraqi border, which has been closed since 1980, Syrian officials said. *(AP)*

Algeria Prepares For June 5 Vote

ALGIERS — President Liamine Zeroual officially dissolved the country's transitional legislature Sunday, two weeks ahead of a general election in Algeria.

The June 5 vote will be the first general election in Algeria since the start of the five-year conflict between Islamic militants and the authorities, in which it is estimated that 60,000 people have been killed.

State radio said Mr. Zeroual had included in his farewell speech to the outgoing National Transitional Council an homage to the deputies present, and to the "martyrs of duty" — deputies allegedly killed by Islamic extremists. *(AFP)*

Mexico Prosecutor Is Seized in Spain

MEXICO CITY — The authorities in Spain have arrested the senior official who was prosecuting Mexico's most sensitive murder and corruption cases until his dismissal and disappearance after charges of rigging evidence, the Mexican government announced.

Mexico will seek the extradition of the former prosecutor, Pablo Chapa Bezanilla, to face charges of criminal association, illegal exhumation of a body and other counts, the Mexican attorney general said.

He is accused of taking part in a conspiracy to plant a body on a ranch belonging to Raul Salinas, the brother of former President Carlos Salinas, to frame him in a 1994 assassination. *(NYT)*

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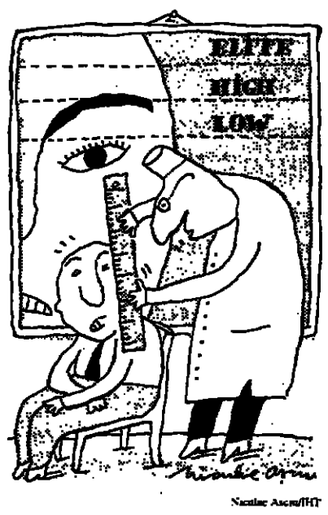
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LANGUAGE

Elite Establishment Egghead Eupatrids

By William Safire



Nicolas Ascot/IHT

WASHINGTON — As is well known (as Communists used to say) the world is run by a snobbish, arrogant clique of rich and powerful aristocrats — a network of the well-born and over-educated — who maintain a stranglehold on the all-powerful media and sneer at downtrodden commoners condemned to a lifetime in entry-level jobs flipping Bilderbergers.

Welcome to the international language of populist resentment.

"Netanyahu as victim of the media elite" headlined U.S. News, using the word *elite* as T.S. Eliot did in 1948 with the phrase "an *elite*-governed society." The conservative Israeli prime minister was reported to have used a Hebrew slang term — *branja* — to derogate what the newsmagazine called "the liberal, secular, moneyed *elite* centered in North Tel Aviv."

As the most popular synonym for *the Establishment* — a term attributed in 1945 to the '20s novelist Ford Madox Ford but popularized by the British political commentator Henry Fairlie in 1955 — *elite* has a paradoxical etymology. It comes from the Latin *eligere*, "to elect," and became a noun meaning "elect, choice," but now means the opposite of "elected" — indeed, *unelected* is a common complaint of outsiders about insiders.

Although *elite* as a noun can be used proudly, elitist, the noun and adjective, and *elitism*, the nominative are pejorative: the sociologist David Reisman wrote in 1950 that Sigmund Freud "shared with Nietzshe and Carlyle elements of an *elitist* position."

□

Russia has been rich in characterizations of the inside wielders of power. From the *intelligentsia* of a century ago (used by revolutionaries to mean "the educated bourgoisie") to the *nomenklatura* of the Soviet era to the *praviashchiy klas* more recently, the leadership class has long been recognized and resented.

Today's term is *isteblishment*, according to Natasha Simes of Johns Hopkins in Washington, and *elitnaia midiia*, a term every American radio talk-show host will readily recognize. *Mafiozny*, in addition to its sense of "criminal," also means "powerful; united in a cause."

In the '70s, our home-grown *elitnaia midiia* were lumped with the elitist academic "effete corps of impudent snobs" by Spiro Agnew in a phrase created by speechwriter Pat Buchanan. (*Effete*, meaning "pampered, decadent" was taken as homophobic by its confusion with *effeminate*, criticism rejected by the vice president with "check your dictionary.")

Insider was first used in an 1848 book about Wall Street stock trading, playing off Jane Austen's 1800 term *outsider*. Though some media *elitists* pride themselves on being *insiders*, the word carries a sinister connotation to the *auslanders:* although the Spanish word *camarilla* is the equivalent to the British *old boy network*, the Mexican columnist Jorge Castaneda prefers the English term *insider*.

In France, the influentials and lords of creation traipsing through the corridors of power are called *les gros bonnets*, equivalent to the American *top brass*, from *brass hats*, for "fancy military helmets." or *bigwigs*.

In the past, populist resentment focussed on a social aristocracy that became a political class: the *Bourbons* (from a town in France, Bourbon l'Archambault, that spawned a family that long held the throne) were segregationists who gained control of the Democratic Party in the post-Civil War South during Reconstruction. The *Brahmins* (from the Hindu caste furthest from "untouchables") became an attack word of Irish politicians in Boston in the late 19th century against wealthy and socially prominent blue bloods.

But wealth and high birth — as exemplified by the *eupatrids*, or hereditary aristocracy of ancient Athens — are no longer the hallmarks of the inner circlers. Now what turns us off is brandished brains.

Like *old boy network* and *the Establishment*, the newer *chattering classes* is British, from the early Thatcher era, popularized by Alan Watkins of the Observer, and has traveled the Atlantic to be adopted here. Nicholas Comfort, in his "Brewer's Politics" (1993) defines it as "the intermeshing community of left-of-center and middle-class intellectuals, especially writers, dramatists, and political pundits, who believe their views should carry enormous weight and have considerable access to the BBC and much of the media."

Though intellectuals rarely gain power and liberal governments are becoming a rarity, liberal intellectuals are resolutely seen as part of the *power structure*. (*White power structure* was a '60s civil-rights term, influenced by C. Wright Mills' 1956 title, "The Power Elite.")

Hirsute anti-intellectuals have concentrated on the lack of hair on the foreheads of the targets of their resentment: *high-brow* was coined in 1908 in reaction to the disdainful *low brow*, *coined* two years before to describe the uneducated. *Egghead* was defined in a 1908 letter from thepoet Carl Sandburg as "slang here for editorial writers"; it was popularized in 1952 by the columnist Stewart Alsop, quoting his nonjournalist brother John saying "all the *eggheads* love [Adlai] Stevenson. But how many *eggheads* do you think there are?"

President Clinton deplores "a world in which Big Bird is an elitist and right-wing media magnates are populists." He knows who takes the lead in blasting the powers that be. Catch us on the media; we breakers of the *Brahmin branja* are established as the anti-*Establishment elite*.

New York Times Service

BOOKS

NAZIMOVA: A Biography

By Gavin Lambert. 432 pages. $32.50 Knopf.

Reviewed by Wendy Smith

ALMOST forgotten today, Alla Nazimova was once revered as the greatest actress on the American stage. As Gavin Lambert points out in his competent but superficial biography, during her 50-year career Nazimova twice managed to fuse groundbreaking work in modern classics with commercial success.

From her 1906 English-language debut in "Hedda Gabler" through the American premiere of "Little Eyolf" in 1910, the Russian-born actress made Ibsen accessible to her adopted country's theatergoers in national tours that netted millions.

In 1928, after frittering away years in silent movies typecast as an exotic, she triumphed again onstage in "The Cherry Orchard," proving that age had only deepened her interpretive gifts in a series of hits that climaxed with her 1935 production of "Ghosts."

She was a playwright's actress. Noël Coward, Thornton Wilder, Tennessee Williams and Clifford Odets all admired her ability to yoke a star's charisma to the service of a script, which she analyzed with searching intelligence and brought to life with powerful emotion.

Eighteen-year-old Eugene O'Neill saw Nazimova's "Hedda" 10 times ("It gave me my first conception of a modern theatre where truth might live"); 25 years later, she played Christine Mannon in "Mourning Becomes Electra."

George Bernard Shaw wanted her for the 1923 New York production of "Saint Joan," but scheduling conflicts with a lucrative music-hall tour prevented her from taking the part.

THE clash of Shaw and vaudeville was typical of Nazimova's professional life. Although she didn't become a U.S. citizen until she was 48, in 1927, her story is very American.

Serious ambitions compromised by the desire to make lots of money, talent lavished equally on masterpieces and claptrap, damaging relationships with executives who knew how to exploit her appeal but couldn't nurture her artistry — Nazimova would have had plenty to talk about with Elvis Presley.

Gavin Lambert, a veteran chronicler of Hollywood mores ("Inside Daisy Clover," "GWTW: The Making of Gone with the Wind," etc.), has little interest in such connections.

His readable narrative of Nazimova's life seldom goes beyond particulars to plumb her complex personality or the beliefs that shaped her art.

Nazimova's fiery nature is most strongly conveyed in the early chapters, which draw heavily on her unpublished autobiography to delineate tangled relationships with a brutal father who beat and ridiculed her, an older sister who was his favorite, a passive brother, and an unhappy mother who vanished when Alla was 5.

Lambert also does a nice job of untangling fact from myth in Nazimova's description of her work at the Moscow Art Theater, where she played minor parts as an apprentice.

Nazimova was a playwright's actress who brought a script to life with powerful emotion.

She gained greater fame touring the Russian provinces with her lover, the brilliant, alcoholic actor Pavel Orlenev, but it's here that the book begins to lose its way.

Lambert knows how to lay out a complicated plot line, as he shows the couple burning their bridges at home by producing a play denouncing government-sponsored anti-Semitism, then embarking on an overseas tour that brought them to New York in 1905, but he lets details overwhelm what should be a key section on Nazimova's artistic development.

His consideration of her first English-language performances (Hedda, Nora in "A Doll's House," Hilda Wangel in "The Master Builder") is decent, relying on reviews and Nazimova's own comments to spotlight her ability to deliver a play's social message while sounding her character's psychological depths.

Nazimova's Hollywood years brought her few roles worth considering, but Lambert could profitably have spent more time elucidating what kept her there so long — perhaps a salary higher than Mary Pickford's is sufficient explanation — and drastically cut his lengthy accounts of her affairs with other women. (Although she lived for years with a British actor whom she called her husband, Nazimova was primarily homosexual by this time.)

ESPECIALLY with respect to "Camille" and "Salome," the overstylized extravaganzas into which Nazimova sank her own money toward the end of her silent film career, a discussion of her motivation would have been helpful.

By the time we reach her 1928 comeback in the Civic Repertory Theatre's production of "The Cherry Orchard," Lambert has given up on analysis altogether in favor of a gossipy depiction of the Civic as "a lesbian theatre" at which the actress met Glesca Marshall, her companion for the rest of her life.

A strong section on Nazimova's direction of "Ghosts" suggests that sometimes the absence of interpretation is due to lack of source material, but a sensitive researcher can always make deductions from reviews, and the lack of focus is Lambert's fault alone.

Chapters on the years before Nazimova's death in 1945 give a similar impression of being thrown together by an author out of steam.

There's no question that Gavin Lambert has exhaustively chronicled Alla Nazimova's dramatic life. Unfortunately, the result is a welter of facts that will serve better as raw material for a more thoughtful biographer in the future.

Wendy Smith, author of "Real Life Drama: The Group Theatre and America, 1931-1940," writes a monthly column on biographies for the online bookseller Amazon.com. She wrote this for The Washington Post.

BRIDGE

By Alan Truscott

A star Italian pair was on track to score a remarkable double in the Cavendish Calcutta tournament in Las Vegas recently. Alfredo Versace and Lorenzo Lauria were lying second at the midpoint of the Cavendish Pairs.

They were betting favorites in the Calcutta auction that preceded the event, fetching $64,000 in a pool that totaled a record $1,288,500. And they won the Cavendish Teams event, along with Massimo Lanzarotti and Andrea Buratti.

Following were the scores as final pairs sessions began:

1. Peter Weichsel of Encinitas, California, and Mike Albert of Omaha, 1773 imps; 2. Versace and Lauria 1415; 3. Harry Tudor of Miami and Michael Seamon of Miami Beach, 1312; 4. Pyotr Gawrys of Poland and Sam Lev of Forest Hills, Queens, 1099; 5. Sidney Lazard of New Orleans and Bart Bramley of Chicago, 1068. Of the pretournament favorites, the Italians were the only ones in contention.

On the diagramed deal, a tricky opening lead paid off for Joe Silver of Montreal, long recognized as one of the most imaginative experts in the game. Against a contract of two spades, he chose to lead the club six, an unorthodox card. Knowing Silver's reputation, South put up dummy's king to allow for a tricky underlead of the ace.

East was Kyle Larsen of San Francisco, and he took his ace and shifted to a heart. West won with the queen, led the club jack, holding the trick, and returned a low heart to his partner's king.

When the club seven was led from East, South was unable to fathom what was going on in the club suit. It seemed that West must have at least one more club, so he ruffed with the spade eight. Silver happily overruffed with the nine and had the trump ace as the setting trick.

South could have made his contract by ruffing the third club high, but that would have put him in jeopardy if the trumps had split badly.

NORTH (D)
♠ Q 7 5
♡ J 10 6
◇ A Q 9
♣ K 9 8 2

WEST
♠ A 9 3
♡ A Q 8 2
◇ 5 4 3 2
♣ J 6

EAST
♠ 4 2
♡ K 9 4 3
◇ J 6
♣ A Q 7 5 4

SOUTH
♠ K J 10 8 6
♡ 7 5
◇ K 10 8 7
♣ 10 3

Neither side was vulnerable. The bidding:

North	East	South	West
1 ♣	Pass	1 ♠	Pass
1 N.T.	Pass	2 ♠	Pass
Pass	Pass		

West led the club six.

CROSSWORD

ACROSS

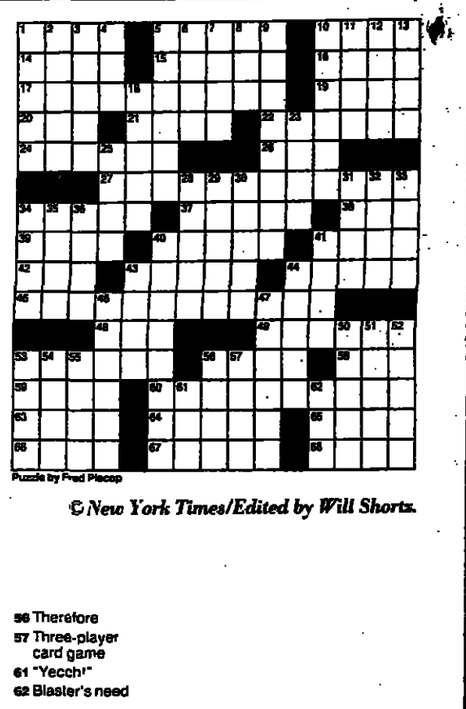
1 Meal at boot camp
5 Sell tickets illegally
10 Sam the —— of 60's pop
14 "Beetle Bailey" dog
15 It's a no-no
16 Car with a meter
17 Loss one's nerve
19 Israeli guns
20 Tennis great Rosewall
21 Bohemian
22 "Gunsmoke" star James
24 Vulgar one
26 Tyke
27 70's-80's Yankee pitching ace
34 Imus's medium
37 Goods
38 "Blue" bird
39 Abba of Israel
40 Opera headliners
41 Stupor
42 ——'easter
43 Sheets, pillowcases, etc.
44 Put on the payroll
45 Old instrument of punishment
48 "Who —— you?"
48 Sounded, as a bell
53 Prestige
56 Villa d'——
58 Actress Gardner
59 Major league brothers' name
60 Quaint dance
63 "—— the Mood for Love"
64 Actress Samantha
66 Microwave, slangily
66 Grandmother, affectionately
67 Immunizations
68 —— off (plenty mad)

DOWN

1 Treats cynically
2 Lucy's best friend
3 Children's author R. L. ——
4 League: Abbr.
5 Audiophile's setup
6 Quitter's word
7 "It's ——!" (proud parents' phrase)
8 Singer Rawls
9 Shepherd's pie ingredients
10 Publicity seekers' acts
11 Smog
12 X or Y, on a graph
13 Ote ——
18 Nonmusician's musical instrument
23 Flagmaker Betsy
25 Opposed to, in the backwoods
28 Playground equipment
29 Overhangs
30 Research money
31 Not quite shut
32 Stare, as at a crystal ball
33 Checked out
34 Pull apart
35 "—— Ben Adhem"
36 Jeanne —— (French saint)
40 Eating alcoves
41 Pickle flavoring
43 Italian money
44 Nonsense
46 Hawaiian medicine man
47 Frolicking animals
50 Lash —— of old westerns
51 Call forth
52 Went out with
53 Old Testament murderer
54 —— mater
55 Nickel or copper, but not tin
56 Therefore
57 Three-player card game
61 "Yecch!"
62 Blaster's need

Solution to Puzzle of May 16

S	H	A	P	E	D			P	R	I	D	E		
H	O	L	E	D	U	P		S	H	O	V	I	N	G
O	N	O	R	D	E	R		C	O	M	E	S	T	O
T	O	M	M	Y		I	P	A	N	A		P	I	E
A	R	A	S		H	O	R	D	E		T	A	R	A
T	E	R		G	O	R	E	S		K	A	T	E	S
			F	O	O	T	E		M	U	S	C	L	Y
	J	E	F	F	F	O	X	W	O	R	T	H	Y	
B	E	L	L	E	S		P	A	R	T	Y			
A	R	E	A	R		N	O	D	O	Z		P	M	S
S	E	C	T		R	I	S	E	N		K	E	E	P
E	M	T		Z	A	X	E	S		N	O	T	R	E
S	I	S	T	I	N	E		I	W	O	J	I	M	A
T	A	T	A	M	I	S		N	E	G	A	T	E	R
	H	O	G	A	N			T	O	K	E	N	S	


Puzzle by Fred Piscop

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Personals

MAY THE SACRED HEART OF JESUS be adored, glorified, loved and preserved throughout the world, now and forever. Sacred heart of Jesus, pray for us. Saint Jude, worker of miracles, pray for us. Saint Jude helper of the hopeless, pray for us. Amen. Thank you. B.

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CAREERS

Computerized Testing for Business Schools: Fast, Flexible, but Pricey

By Mitchell Martin
International Herald Tribune

NEW YORK — The bad news about the Graduate Management Admission Test, required for entrance to 1,300 business-school programs around the world, is that *the price is* going up. The good news is that applicants will be able to take the test whenever they want and get most of the results within minutes of finishing instead of waiting the traditional six weeks.

The Graduate Management Admission Council, which develops and oversees the GMAT, is computerizing most of its system around the world Oct. 1. Only a handful of the approximately 400 sites worldwide will not use computers, largely because of power-supply concerns.

The cost will rise to $125 from the old base price of $84, although David Wilson, president of the not-for-profit council, said the average price paid was $112 after late-registration and other supplemental charges were added.

Last year, about 203,000 people took the test, 72,000 of them from outside the United States. This year, Mr. Wilson said, the overall number is expected to jump to 225,000, in part because some prospective test-takers are trying to beat the October conversion to computers. Mr. Wilson ascribed this to fear of an unknown system rather than any inherent disadvantages in the computerized version.

In fact, he said there would be several attractive facets of the new system for business-school applicants. For one thing, the computers will adjust the level of questions to the test-takers' abilities. This means that well-prepared applicants can skip some low-level questions and either finish the test quickly or spend more time on the difficult subjects.

Another improvement, he said, was that a prospective business-school student could decide to take the test, register and complete the examination in a day. That, he continued, is an attractive option for some working people who are considering a return to school for a master's degree in business administration.

Most of the examination consists of multiple-choice questions, and these can be graded almost immediately under the new system, Mr. Wilson said. Answers are transmitted from the test centers to the Educational Testing Service in Lawrence Township, New Jersey, which administers the examination. These can be graded and returned within minutes, Mr. Wilson said, but essay questions must be read by human reviewers, so the entire score cannot be immediately determined.

Computerization will make it difficult to cheat on the test, Mr. Wilson said, adding that the testing centers also would have video security and on-site proctors.

Last year, U.S. authorities arrested a California resident on charges he had arranged for expert test-takers to sit for examinations, including the GMAT, on the East Coast and then transmit the questions to applicants on the West Coast, where the sessions began three hours later. The new system would make such operations far less likely.

Do the business schools like the change? "We are elated," said Sandra Kelzenberg, associate director of the MBA program at the University of Minnesota's Carlson School of Management. The flexibility of being able to take the test on short notice was a major advantage, she added, given the differing admission dates for graduate business schools.

Mr. Wilson said that demand was growing for the GMAT in Western Europe, China and Hong Kong, because American-style MBA programs were popular for multinational companies that wanted local executives who were familiar with international business practices.

Last year, 4,130 Chinese citizens took the test, and they did well. The mean total score was 581 out of a possible 800, one of the highest among countries. The winner was the Marshall Islands, but with only three test-takers, its mean score of 677 was not statistically significant.

The best score among countries with several hundred takers was 585 in Bulgaria. Americans did not do outstandingly well, scoring 511 compared with a mean of 500 in other countries. Mr. Wilson said the fact that two-thirds of the test takers were Americans meant the aggregate U.S. score had to be close to the overall mean.

Among the large economies, Britons fared the best. English citizens scored a mean 564, while those from Scotland and Wales averaged 558 and 557, respectively. Northern Ireland's mean was 494 while the Republic of Ireland was 542.

The test is only given in English, and citizens of anglophone countries and those where English is widely spoken, such as the Netherlands and India, seemed to have an advantage.

Mr. Wilson said the council had asked overseas business schools whether foreign-language versions of the test should be developed, but their response was "not at all — English is the language of commerce." The schools make allowances, he said, for nonanglophones, and Ms. Kelzenberg said the University of Minnesota measured foreign applicants against the means for their respective countries.

There may, however, be some cultural advantages at play, Mr. Wilson said, and these are to be studied later this year. He said business-school deans "intuitively" found that Germans, Swiss Germans, and Japanese did not do as well on the quantitative portion of the GMAT as they did in MBA programs. The deans speculated that this was because their cultures "reward precision rather than speed," the latter quality being important on the test.

■ Help for Dismissed Employees

Frank Swoboda of The Washington Post reported from Washington:

You've just lost your job, you don't belong to a union and you don't know where to turn for help. Enter the National Employee Rights Institute and its new publication, "Job Rights & Survival Strategies, A Handbook for Terminated Employees."

The guide comes complete with sample letters and forms, addresses of various associations involved in U.S. employment law and tips for dealing with a range of subjects from legal responses to emotional support in a time of crisis.

The handbook is the result of a declining labor movement, said Paul Tobias, founder and chairman of the organization. With only 11 percent of the civilian work force in the United States represented by unions, Mr. Tobias said there was a need to help protect the rights of employees who lose their jobs through firings, downsizing or technological change.

The highlights of the advice:

- Stretch out your departure date to accumulate more service time and possibly fulfill pension requirements.
- Complain tactfully because employers often are willing to expand severance and benefit packages to quickly resolve an employee's dissatisfaction — unless misconduct is involved.
- If all else fails, and you plan to take your employer to court, get a lawyer. "Succeeding in an employment-termination lawsuit without a lawyer is virtually impossible," the handbook says.

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Zaire After Mobutu

President Mobutu Sese Seko no doubt fled Kinshasa on Friday to save his life and his fortune rather than to spare Zaire a final spasm of violence as rebel forces closed in on the capital. Anything else would have been out of character for a man who misruled his country for nearly 32 years, impoverishing his people as he skimmed millions, perhaps billions of dollars from the government to enrich himself.

His was a destructive and flamboyant dictatorship, sustained with the cynical assistance of the United States and France. Few Cold War alliances reflected so poorly on those involved. Marshal Mobutu ran his resource-rich country like a satrap, smothering political opposition, selling off its minerals for the benefit of a few and demanding a fawning allegiance that often bordered on parody. Washington accepted the abuses as the price of maintaining a Cold War ally, and France was happy to use Marshal Mobutu to retain its influence and economic links in Central Africa.

Zaire deserves better, but may not get it. Rebels who have fought a successful seven-month campaign will assume power in the days ahead without governing experience or a clear commitment to democracy and the rule of law.

Their leader, Laurent Kabila, has conducted a scorched-earth offensive, permitting the killing of Hutu refugees from Rwanda by his Tutsi commanders. Mr. Kabila has assured Western diplomats he does not intend to copy Marshal Mobutu's methods, but the brutal behavior of his followers in recent months belies those words.

Mr. Kabila can set a different pattern by dealing humanely with the remnants of the Mobutu court and moving quickly to demonstrate that he is more interested in governance than revenge. Thousands of Rwandan refugees remain trapped in Zaire, and Mr. Kabila must do everything he can to prevent his troops from attacking them and impeding the work of international relief organizations.

It will take years for Zaire to recover from the Mobutu regime, even under enlightened leadership. Taking a cue from the Swiss, an immediate effort should be made to freeze his assets anywhere he placed them. His fortune alone could give Zaire an economic boost. The only pity is his sacking of Zaire did not end years ago.

—THE NEW YORK TIMES.

Turkey's Painful Struggle Between Old and New

By William Pfaff

ISTANBUL — Turkish intellectuals pensively suggest that their country's future is "either Iran or Algeria." If this bleak prediction is true, it means an end to the nearly century-long effort to remake the most important of modern Islamic societies on modern terms and reconcile it with the West.

Turkey's political and business establishment as well as its intellectuals are entirely Westernized in manner and style. But a century ago their predecessors were members of an oriental court and ruling apparatus, closer to China's than to the European courts that were its contemporaries.

A liberal constitution was imposed upon the Ottoman Empire only in 1908, by the "Young Turk" modernizers. After Turkey's defeat as a German ally in World War I, and the loss of what remained of its European empire, Ataturk — Mustafa Kemal — the maker of modern Turkey, abolished the sultanate in 1922, and in 1924 disestablished Islam as state religion.

His subsequent social and educational reforms transformed Turkey, but precariously so. Turkey's very grave current problems originate in the continuing tension between modernization and tradition, particularly traditional religion.

The political society of Turkey has been extensively but imperfectly Westernized. The modern party system has shallow roots and tends to produce governments closely, and sometimes corruptly, linked to the major commercial and banking groups of the nation, cut off from the peasantry of what remains a poor if rapidly and erratically developing country.

Today's Turkish government is further distracted by Kurdish nationalism and the more radical Kurds' separatist movement and terrorism.

The most important problem today, however, is the electoral power of Islamic fundamentalism. The Islamist party, the Refah or Welfare Party, is paradoxically the only modern political organization in Turkey. It has deep roots in countryside and village, offering a program of religio-political reform to a population disoriented by the forces of modernization.

The fundamentalists are strong enough to have assumed the prime ministry a year ago, expediently supported by the secular party led by the former prime minister, Tansu Ciller, well-known in the West. But this coalition acts under the edgy surveillance of the Turkish Army, which has always considered itself custodian of Ataturk's vision of a secular and Westernized Turkey.

The army in 1980 dismissed a civilian government. It recently has stated its own "strategic concept" of a Turkey threatened by Islamic radicalism as well as by terrorism (a reference to the Kurdish separatists) and the foreign powers supporting Kurds and fundamentalism, Iran and Syria. Last Wednesday the army reiterated that naval maneuvers with Israel would take place despite the prime minister's attempt to annul them.

The balance is delicate among fundamentalists, led by Prime Minister Necmettin Erbakan, the secular opposition parties and the army. The press is under pressure. The government is held at least indirectly responsible for a recent raid on a television station, closure of a newspaper and interrogation of critical journalists.

Thus far the press has not been intimidated, in part because the two major press groups are political forces in their own right, with important television and banking interests. Publishers as well as journalists are volubly hostile to the government and have sought the support of the foreign press against attempts to suppress critical journalism.

The fundamentalist-led government and its programs for Islamization of education and public life are a new obstacle to Turkey's ambition to become a part of the European Union. Turkey's EU membership has been explicitly opposed by Europe's Christian Democratic parties, and implicitly by other EU groups as well.

Membership was promised Turkey in 1963, and since January 1996 Turkey has had a customs union with the EU, and of course is a NATO member. The secular and Europeanized part of Turkey's leadership expresses something like despair at the lack of comprehension and support they find in Europe.

Not many Europeans are open to the plea made earlier this year by Jacques Attali, a onetime French government official and first president of the European Bank for Reconstruction and Development, that Turkey deserves to be welcomed into the EU precisely in order to demonstrate to the rest of the Islamic world that democratic and secular politics will be rewarded by membership in the ruling international institutions.

Should fundamentalism provoke the military to take power again, Turkey's relations with the EU will worsen and its NATO links will be harmed, the country's isolation worsened. Its U.S.-backed military cooperation agreement with Israel contributes to its present pariah status in the eyes of orthodox Islamic governments and its own fundamentalist voters.

The way ahead for the Turks is extremely difficult. In principle Turkey has a leading geopolitical role to play in relation to the Turkish-speaking states of the former Soviet Union, and a good deal has been done to develop Turkish relations with those countries. But the ambition of Ataturk, and of the generation that remade the country, was to re-establish Turkey as a European power — and that is what an inward-looking Europe today resists.

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NATO's Allure

One of the chief arguments advanced by those who oppose NATO expansion is that it will leave a number of countries in a "gray zone" of insecurity. Those are the nations that would not join NATO, at least not in the first wave of enlargement, but which have historical reason to be nervous about Russia and to seek security guarantees from the West. First and foremost, that would mean Estonia, Latvia and Lithuania — the three Baltic republics — and Ukraine, outside Russia the most populous of the old Soviet bloc.

So it was interesting to hear the president of Ukraine, Leonid Kuchma, on the subject of NATO the other day. The military alliance "is a factor for stability in Europe today," he told Washington Post editors and reporters. It has proven that, he said, with its peacekeeping operation in the former Yugoslavia — where NATO has integrated Russian, Ukrainian and Baltic troops into its own operation.

In response to the agreement reached by NATO and Russia last week, Mr. Kuchma said, "I can only welcome and support the idea that Russia is leading the way to show an example of cooperation with NATO." Ukraine, too, he said, is negotiating a charter to promote further cooperation between it and the alliance, short of membership.

Ukraine has come to a decision that its interests lie in closer integration with the West. NATO membership is not in the cards, at least not now, but it welcomes NATO's approach to its borders. Polls show that most Ukrainians no longer see NATO as a threat, despite years of Soviet propaganda to the contrary, and Ukrainian officials hold out the hope that Russian opinion will similarly, if more slowly, evolve.

As for Russia, Mr. Kuchma expressed optimism about "the Russia of Yeltsin — but the Russia of Zhirinovsky or Lebed is another matter." Which vision — the relatively liberal Russia of Boris Yeltsin or the aggressive and nationalistic one of Vladimir Zhirinovsky — will Russia finally accept? "Not even the computer which won against Kasparov" could predict that, Mr. Kuchma said. Thus the eagerness for Western friends.

None of this is to minimize the danger of a gray zone; it exists. So does the risk that NATO expansion will undermine Russia's democrats. But the risks of inaction — which would truly leave all former Communist countries in a gray zone — is far greater. Nothing testifies to that more eloquently than the fervent desire of practically every single one of those nations for closer ties with NATO. After all, as Mr. Kuchma said, "You have to ask why these countries are ready to join NATO, but not some other alliance."

—THE WASHINGTON POST.

For East Asians, Engagement With China Is the Only Option

By Takashi Inoguchi

TOKYO — A year ago Beijing stunned the world by rattling sabers in the Taiwan Strait. Now the People's Liberation Army has moved into Hong Kong in preparation for the territory's July 1 handover.

These are not foreign policy abstractions on this side of the Pacific. All here know China will be an economic, military and political giant in the next century. How should Asia react?

The West has as many prescriptions as there are scholars and policymakers offering them, with three main schools of thought, all flying the banner of "realism":

- "Balance of power" realists say China is an emerging menace that requires unity among its potential prey.
- "Bandwagon" realists suggest that any country likely to be in conflict with Asia's giant should simply submit to its hegemony.
- "Clash of civilization" realists accept China as East Asia's next leader and advise the rest of the world to keep the Middle Kingdom at arm's length.

It is hard to see how any of these approaches could work to East Asia's benefit. The essence of the balance of power argument is containment. It worked well last year, when U.S. carriers served notice that Beijing's military maneuvers in the Taiwan Strait were unacceptably provocative. But containment may not be an option as China strengthens.

The bandwagon approach effectively advocates "Finlandization." This is dangerous, given the nonconfrontational stance Japan and other Asian nations have adopted toward China's emergence. Conciliation does not have to mean Finlandization. But if Asians get any softer toward China, Beijing could begin objecting to any alliances it takes to be anti-Chinese in inspiration or intent.

This would put Japan in a difficult position. Tokyo and Washington are gradually redefining the security treaty binding them, with emphasis on a greater role for Japan. China has already expressed deep concern about this; in the end, Japan cannot have it both ways.

But neither can China's neighbors afford the cynical approach of "civilizationists" such as the Harvard professor Samuel Huntington. The West may be able to ignore China, but from East Asia, benign neglect toward the mainland mammoth is simply not an option.

"Realists" aside, consider the reality. China is a country of great historical traditions, recently saddled with painful memories of national humiliation. It now seems genuinely interested in taking its place within the law-abiding community of nations.

In its quest for prosperity, China is becoming ever more intertwined in the world's economic, financial and technological institutions. Finally, and despite frequent appearances to the contrary, Beijing is at bottom interested in raising democratic consciousness at home — if only because the elite knows it is the best way to consolidate its leadership.

It follows easily that if China nurtures its institutions, its external contacts and a modicum of democracy, the risk of conflict is reduced. This is what policymakers in Japan and elsewhere in East Asia should focus on, not the so-called realities advanced in the West.

Some experts argue that an assertive China could drive Japan into a confrontational, nationalistic posture to protect its interests. But Japan has downplayed each instance of Chinese aggression, from Beijing's Vietnam adventure in 1979 to the Taiwan Strait incident last year.

Others say that as long as Japan maintains its economic and technological edge, it will collaborate with China out of mercantile self-interest. But in less than a quarter-century China is likely to be producing Nobel laureates — while surpassing Japan in gross national product.

Why not acknowledge that China will eventually outstrip Japan? With that in mind, the best Japan and the rest of the region can do is adopt policies that encourage China to continue deepening its economic interdependence, its engagement with international institutions and its democratic inclinations.

In short, while vigilance and preparedness are still to be stressed throughout the region, East Asia needs to engage China — positively, tenaciously and as an equal. Western realists should recognize the simplest law of perspective: depending on where you stand, the picture changes.

The writer is a professor of political science at the Institute of Oriental Culture, University of Tokyo. He contributed this comment to the Herald Tribune.

No Cause for Celebration

One of the hazards of protracted negotiations is that achieving agreement can come to overshadow all else, including whatever it is that is finally agreed to. The deal becomes its own reference point. The negotiators and hangers-on become so caught up in the process that they lose sight of the price, part of which consists of lost opportunities.

There's a little of that self-delusional quality, as well as the usual volume of plain old puffery and spin, surrounding the U.S. budget deal just announced for the second time in two weeks with undiminished fanfare. The two sides keep passing around the same box of cigars, but it continues to be unclear, at least to us, that this deal is worthy of that much fuss.

Its virtue is that it pushes the deficit in the right direction, but only modestly. Far from solving the long-range fiscal problem, it papers it over, postpones it and in some respects makes it worse. Both parties keep talking about what their constituencies are going to get from the deal, as opposed to what they might have to give up because of it. That tells you something.

The agreement carefully does not address the long-term cost of the great middle-class entitlements — the aid to the elderly and disabled in the form of Social Security, Medicare and Medicaid — that increasingly drive the budget. It would make some important savings in both the health care programs by constraining payments to providers, but that's a well to which the government can continue to turn only so long. The structural imbalances that will intensify as the baby boomers begin to retire not that many years from now weren't touched. Too hard, the negotiators decided; maybe their successors will have better luck and more fortitude.

The deal does include a tax cut, however; no problem there. The cut will add to the deficit, and the tax bill the Republicans have made clear they will write — and that the president has made clear he will sign — will mainly benefit the better-off. It is likely also to be backloaded, despite a fuzzy promise by the Republican leadership to the contrary. If the budget in fact is balanced by the year 2002, the balance will likely last about a nanosecond. Then we can start all over again. Meanwhile, the combination of protecting aid to the elderly while granting a tax cut will put enormous pressure — much more than the two sides have faced up to and acknowledged — on the rest of the budget. These are the operating funds for the agencies, the money for investments in things like roads and research and some of the major forms of aid to the poor.

The deal that was struck is an outline only. The bills to carry it out are still to be written — and how they are written will make a difference. But the outline seems likely to us to result in (a) not that much improvement in fiscal policy; the balance will be gossamer; (b) some highly regressive changes in tax and social policy, and (c) a weaker government less capable of carrying out its basic functions. If the goal was to narrow the deficit, there were lots of other ways they could have done it. This is the one they chose.

— THE WASHINGTON POST.

A Mideast Puzzle: How to Produce a Palestinian Democracy?

By Stephen S. Rosenfeld

WASHINGTON — The Palestinian authorities in the West Bank have now threatened death to any Arab who sells "an inch" of his land to an Israeli. A Palestinian land dealer who made such a deal was found gagged and beaten to death. It is ugly, and the Israeli government spokesman was on the right track when he said it is further significant for what it tells us of the kind of regime that will rule the Palestine to be.

But that does not exhaust the matter. The fact is this latest sequence is part of a pattern of violence that marks the whole Israeli-Palestinian scene. Force in its various forms has been the common instrument of policy by occupier and occupied alike. On either side plenty of people are ready to go back to square one and make a count of the other's offenses and a minimizing justification of its own.

Actually, to inject a bit of perspective we need go back merely to the other day. Even as the Arab-land story broke, Israel was having to account before a UN committee for using techniques of torture on Palestinian terrorism suspects. And not only on terrorism suspects: on political detainees. It is the sort of terrible coarsening that can and must be combated but is hard altogether to avoid in a protracted struggle in which civilian society is a principal if not the principal field of battle.

My guess is there is a lot more understanding in the United States and elsewhere for Israel's problem with terrorists than for the way the Palestinians propose to handle land dealers in the family. But if there is to be any pretense of fairness in the argument, public opinion must deal as best it can with Israel's derelictions, as with Palestine's.

No simple balance or evening out, however, will work. Israel's failings arise chiefly, I believe, from the condition of war it has had to face since its beginnings as a state nearly 50 years ago. Palestine's failings arise not only from the same condition of war but also in some measure from an Arab political culture unfriendly to due process and democracy. Dark as things look at the moment, diplomacy may yet succeed in producing a two-state solution. That would leave Israel functioning as a normal democratic country. But what will produce a companion Palestinian democracy? The question is enough to bring Palestinian democrats to despair.

The question gets even harder when you consider that Israelis have a severe case of ambivalence about Palestine's democratization. They consider it desirable in the abstract but not convenient now. Better to have a strong, centralized Palestinian authority that will keep terrorists in check and ensure stability. This is what pragmatic, peace-seeking Israelis think one thin layer below the surface.

Their complaint against Yasser Arafat is not that he's an implausible democrat but that he doesn't run a tight enough ship. It is why Syria, which lives under the sort of strongman rule that makes Mr. Arafat look mellow, has always been Israel's preferred negotiating partner. Of Hafez Assad it is said that he's tough but he delivers. Israel makes good use of its being the only democracy in the area.

It's Israelis in the ruling Likud, who do not want to go to the two-state place where negotiations will likely take them, who invoke Palestinian democracy. My suspicion is they do so partly because they think it's beyond reach and therefore safe to aspire to. Meanwhile, they denounce Palestinian despotism as an impediment to the trust that ought to be the foundation of negotiation. Their subtext is: How can you Americans expect us to come to terms with those bloody-minded Palestinians?

The United States, too, has found itself in an uncomfortable contradiction. It needs Mr. Arafat to put into effect its well-chosen policy of favor for a negotiated Israeli-Palestinian settlement. But Washington also is sensitive to the flaws in the internal Palestinian order and to the feudal political currents flowing in other Arab states. Without Mr. Arafat the new Palestine flounders in political chaos, or so it is easy to fear, and leaves Israel without a partner. With him Palestine becomes an embarrassment and a backwater.

The answer is evident: to work the diplomatic track and the democratization track at the same time. That will take a measure of diplomatic exposure and political boldness that the Clinton administration has so far not shown. As the president lingers by the side of the road, his choices narrow.

The Washington Post.

Return Elgin Marbles to Greece

By Karl E. Meyer

NEW YORK — One of the oldest international cultural disputes has begun a new turn under Prime Minister Tony Blair's victorious Labourites. Scarcely a day after taking office, Britain's new heritage secretary, Chris Smith, informed a BBC interviewer that the Labour government would not return the Elgin Marbles to their ancient and rightful home in Athens.

It is not sensible or feasible, Mr. Smith contends, to remove the Parthenon carvings from their special gallery in the British Museum.

Since that venerable institution overflows with world-class art in its storerooms, the secretary certainly cannot mean that the galleries would then be empty.

No, what he seems to be saying is that restitution would be inconvenient and that possession is 90 percent of the law, a robustly conservative or one might even say Thatcherite argument. Soon Mr. Smith will doubtless repeat points made by Britons for more than a century: that the Marbles were legally acquired at the time, that they would have been damaged if left in Greece and that their restitution would trigger a rash of claims, since so many museum treasures were similarly uprooted in an imperial scramble for spoils. All the points are half-true.

Thomas Bruce, the seventh Earl of Elgin, was the British ambassador to the Ottoman Empire when he received a murky permit from the sultan to remove some of the famous sculptures from the Parthenon. It was granted in extraordinary circumstances, since the Ottomans in 1799 were urgently seeking British help against Napoleon.

Crucially, however, nobody troubled to ask the Greeks, then under Turkish dominion, about taking 17 figures from the Parthenon pediment, as well as 15 metopes, 56 slabs of friezes, a caryatid column, 13 marble heads and a miscellany of fragments. An appalled witness was Lord Byron, who wrote abundantly in protest, bearing down on Elgin's Scottish roots, as in "The Curse of Minerva":

Daughter of Jove! In Britain's injured name, A true-born Briton may the deed disclaim. Frown not on England: England owns him not: Athena, no! thy plunderer was a Scot.

It is also half-true that the Elgin Marbles were safeguarded in London during Greece's various wars and more recently from stone-rotting pollution and automotive fumes. Laudably, the Greeks years ago removed the remaining carvings and are now building a new Acropolis Museum. This is where the Marbles would be safely shown should Britain's Labour government more generously reconsider.

But would not that open a very large barn door to litigation? Again, half a point, since there are no universal rules for these deeply felt disputes. The Parthenon and its missing friezes are part of Greece's birthright, a defining symbol of Athens and its democracy.

Precisely such considerations led Denmark, after decades of arguments, to restore to Iceland in 1971 the codices containing ancient sagas. A state holiday and national rejoicing attended their return. Greek pride and joy would as surely light up the Aegean if ever those Parthenon fragments were allowed a voyage home.

The New York Times

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IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: Murder Attempt

NEW YORK — An attempt on the life of Mr. John McPherson, formerly U.S. Senator from New Jersey, was made early today [May 18] by two men in his office in the Aldridge building. One of the assailants, William B. Van Aken, who attempted to shoot the ex-Senator with a revolver, is partly blind. He was arrested. The other assailant escaped. Mr. McPherson said that Van Aken was unknown to him. Mr. Low, private secretary of Mr. McPherson, said that both men seemed to have an interest in the suit about the Belle Meade stock farm, in which the ex-Senator is involved.

1922: Hollywood Help

PARIS — Mr. Will Hays, the "movie" star, is quoted as saying that he is going to clean up Hollywood and will start by changing its name. After reading of the latest escapade of its denizens, the bigamous marriages of several screen stars, the idea comes to mind that if a change is to be made why not adopt "Follywood?"

1947: Art and Vatican

ROME — A controversy between the Vatican and the leaders of a modernistic trend in religious art remains open today despite a spectacular visit of the head of the movement to discuss it with Pope Pius XII. The crux of the movement has been to show Christ and other figures in religious sculpture and paintings in complete nudity. The leader of the trend, Giacomo Manzu, said that Pope Pius had been "very nice" to him personally. "The Pope put his hand on my shoulder and said I had this great gift," Mr. Manzu said after the audience. "The Pope said I should also try to avoid nudes for nudes' sake."

Genesis

By Raymond Bonner and Howard W. French
New York Times Service

KINSHASA, Zaire — When Laurent announced last October that he and Mobutu Sese Seko, almost 60 years seriously. But in a scant seven months army conquered a country as large as States east of the Mississippi, including sands of square miles of some of the jungle in the world.

The accomplishment is even more astonishing considering that the rebels had no air divisions to move troops, no heavy artillery their own, no air force and until late in the engineering units to build bridges over rivers they had to cross.

Western military officers are eager to credit military commander who masterminded the triumphs.

His identity and even his nationality remain a mystery. Many believe he is Rwandan, specifically

NEWS ANALYSIS

arising from the Rwandan rebel army's victory in overthrowing a strong, French-trained, well-equipped government army, there also is another, longer ago.

While observers lodging the skills of the military analysts contend that the Zairean army, not the war as much as the rebels won it, to the country's grossly political leadership, was badly organized, poorly trained and demoralized.

Facing a rout, the government brought in mercenaries from South Africa, France and Belgium, they couldn't halt the rebel advance.

Even the leaders of the rebellion have changed advertising for our army," a general said.

In the end, the mercenaries probably were rebel cause, as money needed for weapons and allowing the rebels to rally popular support with the promise that foreigners were killing Africans.

Much is still unknown about the rebellion, the exact size and composition of the forces which grew from a few hundred men in Zaire, Rwanda, Uganda and Angola to 40,000, military observers say that the main fighting force now numbers more than a dozen battalions, a real support of perhaps thousands of

Mobutu's Ou
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By Stephen Buckley

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Tories Feud
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LONDON — Former Interior Minister Michael Howard looked like a hard-line position on Europe on Sunday as he succeed John Major as head of the defeated Conservative Party.

The contest to replace Mr. Major, who announced his departure after the Conservatives were routed by Tony Blair's Labour Party in the May 1 election, has so far been marred by internal squabbling and backbiting.

One of the main targets has been Mr. Howard, who has been accused by his former deputy, Anne Widdecombe, of being "dangerous" and unfit to lead the party. Ms. Widdecombe has claimed in an extraordinary vendetta against Mr. Howard over his firing of the former prisons chief, Derek Lewis, in 1995.

The showdown is due to come to a head on Monday when Miss Widdecombe, minister for prisons at the time of Howard was home secretary, is expected to substantiate her case in Parliament that he misled the House of Commons over Mr. Lewis's dismissal.

The former minister sought to rebuild support among so-called Euro-sceptic Conservatives, by advocating a "new deal" for Britain in Europe involving a minimum of core obligations.

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INTERNATIONAL

Genesis of the Zaire Rebellion: Victory Came on a Shoestring

By Raymond Bonner and Howard W. French
New York Times Service

KINSHASA, Zaire — When Laurent Kabila announced last October that he would topple Mobutu Sese Seko, almost no one took him seriously. But in a scant seven months, his rebel army conquered a country as large as the United States east of the Mississippi, including thousands of square miles of some of the thickest jungle in the world.

The accomplishment is even more staggering considering that the rebels had no mechanized divisions to move troops, no heavy artillery of their own, no air force and until late in the war, no engineering units to build bridges over raging rivers they had to cross.

Western military officers are eager to meet the military commander who masterminded the rebel triumphs.

His identity and even his nationality remain a mystery. Many people believe he is a Rwandan, speculation arising from the Rwandan rebel army's success in overthrowing a strong, French-trained and equipped government army there three years ago.

NEWS ANALYSIS

While acknowledging the skills of the rebels, military analysts contend that the Zairian Army lost the war as much as the rebels won it. Thanks to the country's greedy political leaders, the army was badly equipped, poorly trained and demoralized.

Facing a rout, the government brought in mercenaries from Serbia, France and Belgium. But they couldn't help.

"Even the arrival of the messiah would not have changed anything for our army," a Zairian general said.

In the end, the mercenaries probably aided the rebel cause, draining money needed for the army and allowing the rebels to rally popular support with the cry that foreigners were killing Zairians.

Much is still unknown about the rebels, even the exact size and composition of their army, which grew and was trained as it went along with recruits from eastern Zaire, Rwanda, Tanzania and Angola. Western military observers believe that the main fighting force now numbers no more than 6,000, with a rear support force of perhaps 20,000, including thousands of deserters from the Zairian Army. The exact level of foreign support is also unknown, but according to Western intelligence reports, Rwandan and Ugandan troops played a critical role in support of the rebels.

Based on interviews with Western and Zairian military officers and observation of the rebellion as it progressed, a picture emerges of a war that was conducted on a shoestring, with an emphasis throughout on minimizing the cost in lives, in ammunition and in the damage to Zairian towns and cities.

A decade ago, the outcome would have almost certainly been different.

In a history marked by frequent rebellions, Zaire's military has never had a proud record. But thanks to huge amounts of foreign military assistance, Marshal Mobutu's army was respectable, if not formidable.

The Israelis trained a special Presidential Division. The French trained an airborne brigade. The Italians assisted the air force.

Belgians ran the military academy. The United States provided logistical support.

But in 1990, at the close of the Cold War, Western governments ended their military aid programs because of Mr. Mobutu's abuse of human rights and refusal to move to democracy. The army began to disintegrate.

While Mr. Mobutu and the politicians were milking the mineral-rich country for themselves, they ignored the army.

In the capital, Kinshasa, senior commanders were padding the payroll by grossly exaggerating the number of soldiers and pocketing the salaries for themselves.

In outlying posts, officers put soldiers to work as farmers to feed the troops and generate income to buy them uniforms and shoes. Soldiers were forced to moonlight. Men from the motor pool became taxi drivers, using government gasoline. Mechanics went to work in automobile factories. Members of the Presidential Division hired themselves out as security guards.

The soldiers were too busy and too tired to train or to take care of their equipment.

When the rebels attacked Lubumbashi, the country's second-largest city, the defending forces had 15 multiple rocket launchers, with 40 rockets each. But they could not fire them. The electrical firing mechanisms had rusted from years of being left in the rain.

By the time the war broke out, most of the army had not had any meaningful training for nearly seven years. Soldiers were being paid the equivalent of $1 a month, a senior officer $10 — when they were paid at all.

One NATO military officer in Africa who has followed the war closely compared the beginning of the war to the Bay of Pigs invasion.

That was an American operation using Cuban dissidents, he noted. In this case, the sponsor was the Tutsi-dominated Rwandan government, using Zairian dissidents, including ethnic Tutsi who have lived in Zaire for generations and had been threatened with expulsion by local officials.

The objective was to empty the refugee camps in the Kivu region in eastern Zaire, just across the border from Rwanda. The camps were filled with Rwanda Hutu who fled their country in July 1994 after General Paul Kagame's Tutsi-led rebel army overthrew the Hutu-dominated government. The Tutsi victory followed a genocidal campaign by the Hutu in which at least half a million people, most of them Tutsi, were killed.

While acknowledging the skills of the rebels, military analysts contend that the Zairian Army lost the war as much as the rebels won it.

The camps had become staging areas for soldiers from the defeated army, who conducted raids into Rwanda.

Washington and other Western capitals had been concerned about the camps, and especially the presence of thousands of former soldiers. But neither Western governments nor the United Nations took decisive action to deal with the impending crises.

Last summer, "the Rwandans and Ugandans threw up their hands," as a Clinton administration official put it, and told Washington that if the international community was not going to do something about the camps, they would.

Then, in October, the authorities in South Kivu Province threatened to strip Zairian citizenship from the 300,000 Tutsi living there.

That sparked an armed uprising by the Zairian Tutsi, known as the Banyamulenge, which was backed by Rwanda's government. It is not clear whether at the outset the rebels intended to accomplish more than cleaning out the camps.

"We know that at a minimum they wanted to push those people back from the border, and at a maximum, kill as many of them as they could," said a Clinton administration official.

It was two weeks after the uprising began that Mr. Kabila appeared on the scene publicly, and took political control of the rebellion.

"Was Kabila put there by the Rwandans, or did he show up and take power?" a Western diplomat wondered.

A longtime revolutionary — he launched an unsuccessful Marxist revolt against Mr. Mobutu in the 1960s — Mr. Kabila first set his sights on the gold-rich region of Zaire around Isiro, north of the refugee camps.

When government military posts began falling like rotten branches off a diseased tree, the rebellion picked up momentum.

Dense jungle terrain would normally work to the advantage of a defending force. But in this war it benefited the attacking rebels, primarily because of the army's deplorable condition.

Lacking even radios so they could communicate with each other, Zairian soldiers bunched together instead of putting out listening posts that would have detected the rebels as they advanced.

Lacking firepower discipline, which they could have acquired in training, when the soldiers heard movements in the jungle they fired wildly, wasting ammunition and inflicting few casualties.

The rebels, in contrast, short on troops and materiel, exercised military discipline and maneuvered with considerable caution. They carried out deliberate reconnaissance of army positions, using the local population to give them information.

Then they attacked from several directions — another sign of experienced military commanders — and always left a way open for the Zairian soldiers to retreat, which encouraged them to do so.

In late December, the rebels took Bunia in northeastern Zaire. It was a turning point in the war, said a Western military analyst. Zairian troops ran away, slowing down only long enough to loot every single village as they headed west.

"After that, the army was despised by the population," said a Western diplomat. "It was an army that ran and pillaged."

The rebellion became a popular uprising. When the rebels reached the Congo River, local residents ferried them across so they could attack the town of Kindu.

It is not known how much outside assistance the rebels have received.

Zairian military and Western intelligence officials say that in some battles Uganda provided artillery and armored personnel carriers. And Rwandan Army soldiers fought with the rebels, at least in the early battles, according to Western officials.

In April, as the rebels prepared for their final push on the capital, Angola supplied reinforcements, most of them second-generation Zairian exiles, who had served in the Angolan Army.

But whatever the level of support the rebels received from neighboring countries, the strength of the rebel army came mainly from the men and materiel collected as it rolled across the country. One Western military observer, who estimated the size of the rebels main fighting force at 6,000, said that a third of them may be former government soldiers.

Throughout the war, there have been few pitched battles, and Western military observers said that the casualties on each side, wounded and killed, have been light, not more than 2,000, one military officer said.

As soon as three months after the outbreak of the rebellion, Zairian commanders in the field were saying that the army could not win.

"This war is no longer a military problem," a Zairian colonel said in Kisangani in March, days before Zaire's third-largest city fell. "Everywhere we go, the population is with the rebels. The only way out is a political solution."

But the country's political leadership, secure in Kinshasa, took no action. "I have never seen such political paralysis," a Western diplomat said.

In seven months, the country's leaders made no effort to mobilize the population or raise an army. Even one battalion with three months training would have made a difference, some analysts said.

"If the Zairian Army had slowed down the rebels anywhere, it would have increased the cost of the war for them tremendously," said a NATO officer. He said that the rebels would have begun to suffer the effects of prolonged periods in the jungle, such as trench foot and malaria, and that they would have begun to run out of money.

"It was a war on the cheap," he said.

Mobutu's Ouster Pleases Some Neighboring States But Sows Fear in Others

By Stephen Buckley
Washington Post Service

NAIROBI — President Mobutu Sese Seko's departure from power in Zaire will reverberate far beyond that enormous country's borders.

Since the rebel leader, Laurent Kabila, began his campaign to topple Marshal Mobutu seven months ago, the leaders of many of the nine countries surrounding Zaire have expressed hope that his eventual victory will herald an age of stability and prosperity for them and for Africa's third-largest country.

But analysts said that those hopes rest largely in the hands of Mr. Kabila himself, whose Alliance of Democratic Forces for the Liberation of the Congo confronts the arduous task of governing a nation with 46 million people who belong to 250 ethnic groups and some 400 political parties.

"A lot depends on Kabila," said Jeff Drumtra, Africa policy analyst for the U.S. Committee for Refugees. "How he chooses to handle the next few weeks and months will determine the stability of Zaire. And the stability of Zaire will determine the stability of the region."

Mr. Kabila's plans may be uncertain, but two clear beneficiaries of Marshal Mobutu's fall are the Rwandan and Angolan governments. Both yearned to see the ouster of the 66-year-old dictator, who led Zaire for nearly 32 years. To that end, diplomats said, both countries lent substantial military support to Mr. Kabila's uprising.

On the other hand, Marshal Mobutu's departure also may jolt Africa's other authoritarian leaders, particularly those from Zaire's francophone neighbors, who have provided solid support for Marshal Mobutu over the years.

The benefits for the Angolan government can be seen largely in terms of the debilitating blow that Marshal Mobutu's overthrow deals to the National Union for the Total Independence of Angola, or UNITA, which received critical help from Marshal Mobutu during its long, unsuccessful war with the Angolan government.

Some analysts said Marshal Mobutu's support of UNITA even after Angola's civil war ended three years ago allowed the rebel organization to only partially commit itself to the government, in which it now holds cabinet seats. Consequently, Angola continues to lurch toward a peace that remains far from certain.

"It's the end of UNITA as a guerrilla force," said William Zartman, director of African studies at Johns Hopkins University's School of Advanced International Studies. "It's the beginning of UNITA as an opposition party."

The rebels' victory also may mean the end of the Rwandan government's three-year campaign to neutralize former Rwandan soldiers who participated in the 1994 genocide against that country's minority Tutsi population.

When the Tutsi rebel force that now forms Rwanda's government halted the massacres and seized power, Hutu soldiers and militiamen poured into Zaire as refugees along with hundreds of thousands of Hutu civilians. Marshal Mobutu allowed the former soldiers to rearm and to stage insurgency attacks from eastern Zaire. But last year, Mr. Kabila's rebels swept through the refugee camps, and they have spent much of the last seven months trying to stamp out remaining Hutu extremist elements inside.

"Rwanda no longer has a significant threat at its borders," said Crawford Young, co-author of "The Rise and Decline of the Zairian State." "Rwanda can feel more secure" than it did before the Zairian insurgency began.

But if the leaders of Rwanda, Angola and Uganda feel more secure, other governments in the region may be uneasy.

Political analysts said that the demise of Marshal Mobutu, who lasted longer in power than any post-colonial leader in Africa, could trigger dramatic reactions among other authoritarian leaders. Those leaders may try to prevent opponents from following Mr. Kabila's lead, either by granting their citizens more political and social freedoms or by becoming even more iron-fisted in their policies and actions.

The analysts said that Marshal Mobutu's supporters in such countries as Togo, Central African Republic, Congo and Gabon probably are the most disappointed by his defeat.



Jean-Marc Bouju/The Associated Press

An unidentified man being lashed Sunday by a rebel soldier with an ammunition belt at a military base in Kinshasa. The man was taken out of the camp and pushed into an alley by the soldiers, where he was shot.

Swiss Deepen The Freeze on Mobutu Assets

By William Drozdiak
Washington Post Service

BERLIN — The Swiss government has frozen for one year all assets held in the name of Zaire's deposed dictator Mobutu Sese Seko and members of his family.

The government said it was impounding all of Marshal Mobutu's assets because his departure from Kinshasa signifies that "henceforth he no longer carries out the function of president of Zaire."

The decision by the Swiss Federal Council on Saturday came a day after judicial and police authorities seized his luxurious villa at Savigny near the lakeside resort of Lausanne. The 30-room mansion is estimated to have a market value of more than $5 million.

After three decades of plundering the mineral wealth of his country, Marshal Mobutu is believed to have accumulated an enormous fortune. There have been persistent reports that he has stashed as much as $4 billion in Switzerland, but a government review of the country's 400 banks last week said that none reported having accounts in his name.

Jean Ziegler, a Swiss Socialist politician and prominent critic of his country's banking practices, said it would be preposterous to accept the word of Swiss banks that claim not to hold any of Marshal Mobutu's assets.

He said there was substantial evidence that Switzerland's leading banks have long served as a haven for the stolen fortunes of Third World dictators such as Marshal Mobutu, Manuel Noriega of Panama and Ferdinand Marcos of the Philippines. More than a decade after Mr. Marcos fled to exile, and eight years after his death, the Swiss government is still negotiating with the Philippines over an estimated $500 million held in his name. The Swiss president recently went to the Philippines and said he wanted to resolve the matter as quickly as possible.

The Swiss injunctions were handed down after Marshal Mobutu relinquished power and left Kinshasa on Friday on the first leg of a journey into exile. The Swiss decision came after repeated demands by the rebel forces of Laurent Kabila, who has taken power in Zaire, to impound all of Marshal Mobutu's assets before they could be moved out of the country. Under the order, the estate and any other holdings in the Mobutu family name cannot be sold or transferred until further notice.

Matthias Kraaft, a Swiss government spokesman, said that the order in no way implies recognition of a new Zairian government.

Tories Feud In Jockeying To Lead Party

Reuters

LONDON — Former Interior Minister Michael Howard staked out a hard-line position on Europe on Sunday as he and rivals fought for the initiative to succeed John Major as head of the defeated Conservative Party.

The contest to replace Mr. Major, who announced his departure hours after the Conservatives were routed by Tony Blair's Labour Party in the May 1 election, has so far been marked by internal squabbling and backbiting.

One of the main targets has been Mr. Howard, who has been accused by his former deputy, Anne Widdecombe, of being "dangerous" and unfit to lead the party. Miss Widdecombe has carried out an extraordinary vendetta against Mr. Howard over his firing of the former prisons chief, Derek Lewis, in 1995.

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ZAIRE: *The 'New Congolese' Celebrate the End of Mobutu's Rule*

Continued from Page 1

were, whether they were the Rwandan hordes that Marshal Mobutu's government had warned were coming, or whether they were merely Zairians like themselves, who had organized to get rid of a hated system.

The answer, in the end, was a mixed one. Conversation after conversation with the alliance fighters, and with the Kinshasans who rubbed elbows with them, revealed that a significant number appeared to be Rwandan, or of Rwandan Tutsi extraction, but most, in fact, seemed to come from Zaire's eastern and southern regions, which were captured by Mr. Kabila at earlier stages in the seven-month civil war.

"We are an alliance," said one commander from southern Zaire who had spent years of exile in Angola. "We have all kinds of people among us. The important thing is that we are Africans and we are Congolese."

When a crowd gathered around one small bunch of rebel soldiers in the central commercial district, where they had just arrested a looter, a man asked one of the rare female soldiers to have turned up so far what the alliance's agenda was.

"If you have been to school, you can expect that you will find work in the new Congo," said the soldier, who spoke in French and said that she was from the eastern city of Bukavu. "You will be free. But if you are lazy, and don't want to do an honest day's work, there will be no one to help you."

If the day ended with none of the tension and little of the gunfire that have marked the nervous last week in the life of this city, its beginning was far less certain. For reasons that have not yet been publicly explained, the thousands of bone-tired rebel soldiers who marched into the central city early Saturday evening almost immediately decamped, leaving much of the capital unguarded.

As word of the vacuum spread, so did the pillaging, by soldiers and civilians alike, that in some areas residents said was as intense as what they lived through in two previous bouts of army looting early this decade.

Sporadic looting continued into the morning, hitting the central commercial district, and the crowded Matonge quarter, where West African immigrants own many shops. Much of the criminality, however, was focused on the symbols of Marshal Mobutu's long rule.

Abandoned by his once fearsome Presidential Division, Marshal Mobutu's last home at Camp Tshatshi was thoroughly pillaged, as were the homes of his son, Kongulu, and the homes of many wealthy allies.

At one Civil Guard camp, hundreds of neighborhood residents coursed through the barracks carrying off everything from air conditioners and desks to boxes of plastic raincoats and berets.

Asked why the alliance was doing nothing to stop the looting, a soldier from the new army who stood idly in the near distance said: "We did not liberate this country to see people behave like thieves. But when it comes to Mobutu and his property, whatever the people can take back, they deserve."

By midday, truckloads of alliance soldiers could be seen pouring into the capital from the city's outskirts, taking up positions and restoring calm.

Before their arrival, however, Kinshasans engaged in a final witch-hunt against Marshal Mobutu's troops, chasing isolated soldiers through the streets, beating them to death and burning the dozens of bodies on the spot.



David Guttenfelder/The Associated Press

A Kinshasa civilian standing over a friend who was accused of looting and then shot by the Civil Guard.

BOSNIA: *Amid the Ancient Hatreds, 'Only the Absence of War'*

Continued from Page 1

crimes or to protect refugees who want to return, has left them without the coercive power to make the parties respect the peace agreement, which calls for all refugees to be allowed to go home.

They also fault international-aid donors for refusing to provide adequate money to build a viable economy.

Brcko, a dilapidated collection of houses with terra-cotta roofs and boxy concrete apartment buildings on the banks of the Sava River, is in the five-kilometer-wide corridor that links the two parts of Serb-held Bosnia. If Brcko is handed to the Muslims, the Serbian entity in Bosnia created under the peace agreement will be cut in two.

The Muslims, who made up 55 percent of the town before the war, want Brcko to gain access to the river traffic along the Sava, linking them to trade routes.

Each side in the conflict — both the Serbs and the Muslims argued so bitterly over Brcko that its fate could not be decided at the peace talks — has threatened to go to war again if the arbitration does not go its way.

The town is patrolled by U.S. soldiers, who moved slowly past a park along the river the other day. Before the war, the park was the site of one of the town's three mosques. The building was dynamited in 1992, and the Serbs removed every stone to obliterate the structure.

The Muslims fled at the start of the fighting to territory under their control, south of the town. Many now live in poor conditions just a few kilometers away.

"To destroy the mosques was not to destroy cultural monuments, because Muslims have no culture," said Anica Savic, a correspondent for Tanjug, the Serb-run Yugoslav news agency. "They are Serbs who were converted by the Turks during the occupation because they were weak. We just published a book of 200 years of Serb journalism. The Muslims couldn't fill a book with even two years' worth of journalism."

CAPITAL MARKETS ON MONDAY

As Fed Ponders Next Move on Rates, U.S. Bonds Could Be a Safe Haven

By Timothy Middleton
New York Times Service

NEW YORK — Expectations are widespread that the Federal Reserve Board will again raise interest rates, perhaps as soon as Tuesday. But most investment advisers expect higher rates to do more damage to stocks than to bond prices.

Just look at what happened after the Fed's last upward move. As J. P. Morgan Securities recently noted in a market advisory, the Standard & Poor's 500-stock index shed 5 percent of its value in the five trading days after the March 25 rate increase, while the long bond lost only about 1.5 percent.

Bonds, then, may be a haven in this time of uncertainty.

"There's a limit to the returns stocks can generate over time, and the more they move up, the more attractive bonds look," said Lewis Altfest, a financial planner in New York. "In accounts that are normally 20 percent in bonds, they are now over 40 percent" because of market conditions.

But investors in bonds and bond funds are being urged to be selective. The extra yield generated by bonds of lower credit quality or longer maturities is minimal. So advisers recommend short-term and intermediate-term portfolios of government bonds, the safest kind.

"This is not the time to buy junk, and it is not the time to extend out on the yield curve," said Daniel Wiener, editor of the Independent Adviser for Vanguard Investors, a newsletter published in Potomac, Maryland.

Last week the yield on the 30-year Treasury bond was very close to 7 percent; it ended Friday at 6.91 percent, up 5 basis points from a day earlier. "The only time the public gets interested in bonds is when the yield goes over 7 percent," said David Corcoran, president of York Securities, a discount broker in Manhattan. If stocks falter, piercing the 7 percent barrier could cause individual investors to look at the bond market for the first time in a long time, he said.

But to earn that coupon, investors take on considerable rate risk. At a yield of 6.89 percent, the long bond trades at $96.59 for every $100 of face value. If interest rates were to rise to 7.50 percent, that would drive down the price of the bond to $89.76. Thomas Sowanick, chief fixed-income strategist for Merrill Lynch & Co., foresees just such a rate increase by the fall.

In the opinion of many bond-market analysts, the Fed — having already raised short-term rates a quarter-point in March — will be compelled to raise them further.

There are two reasons: a surprisingly strong economy will put upward pressure on inflation, and foreign rates, especially Japan's, will probably rise this year, luring investors away from U.S. bonds.

Foreign demand for Treasury bonds is a key underpinning of the credit markets and U.S. economic policy. Foreigners, including other central banks, own $1.125 trillion, or just under a third, of the $3.755 trillion of American debt not held by government agencies.

"We just can't afford in the United States to lose any demand, and I think the Fed knows that," said John Breazeale, president of Weiss Money Management in Palm Beach Gardens, Florida. "If demand doesn't go up, we've had it."

If 30-year rates rise to 7.50 percent by September, as Mr. Sowanick expects, holders of 30-year bonds will suffer a net loss of 4.16 percent after taking their coupons into account.

For protection, investors can look for shorter maturities. "It seems to me that the two-year Treasury is an excellent hiding place," said James Grant, editor of Grant's Interest Rate Observer, a newsletter. "It's offering a yield of 6.20 percent, which is a pretty fancy yield in the global scheme of things for next to no risk."

Slightly higher yields, in exchange for a little more interest-rate risk, can be found in securities maturing in four or five years. Five-year Treasury bonds are now yielding about 35 basis points less than the 30-year bonds, making the yield gap 96 percent.

A bit more yield can be eked out in the Ginnie Mae market, where home mortgages are pooled into securities backed by the Government National Mortgage Association.

"We're seeing yields anywhere from 7.50 percent to 7.75 percent," said Roger Bayston, manager of the Franklin U.S. Government Securities fund, which invests primarily in Ginnie Maes.

Most Active International Bonds

The 250 most active international bonds traded through the Euroclear system for the week ending May 16. Prices supplied by Telekurs.

Rnk Name	Cpn	Maturity	Price	Yield
Argentine Peso				
240 Argentina Bocm	zero	04/01/07	105.2000	0.0000
Austrian Schilling				
152 Austria	5¾	04/11/07	100.5000	5.7200
Belgian Franc				
159 Belgium	9	03/28/03	120.0700	7.5000
British Pound				
150 EIB	7⅛	12/07/07	103.0000	7.4000
178 Spl Fin	8¾	12/31/99	103.5022	8.4500
196 Fannie MaeW8	6⅞	06/07/02	99.6250	6.9000
201 Bayerische LB	6⅞	06/07/02	98.7500	6.9600
213 Halifax BS FRN	6.7812	04/25/12	99.7000	6.8100
216 Lehman Bro	6.8086	01/22/02	100.0300	6.8100
218 Britain	7¼	12/07/07	102.0930	7.1000
Canadian Dollar				
221 Canada	4	03/15/99	98.7875	4.0500
Danish Krone				
5 Denmark	8	03/15/06	111.4200	7.1800
15 Denmark	7	11/15/07	103.9000	6.7400
20 Denmark	8	11/15/01	111.5300	7.1700
21 Denmark	9	11/15/98	106.9500	8.4200
33 Denmark	7	11/10/24	97.9000	7.1500
40 Denmark	9	11/15/00	113.5200	7.9300
41 Denmark	7	12/15/04	105.9000	6.6100
48 Denmark	6	12/10/99	103.7000	5.7900
54 Denmark	8	05/15/03	112.1000	7.1400
63 Denmark	6	11/15/02	103.4000	5.8000
76 Denmark	4	02/15/00	99.4200	4.0200
105 Nykredit Bank	7	10/01/26	96.8500	7.2300
107 Real Kredit	6	10/01/26	89.7500	6.6900
118 Nykredit	7	10/01/29	95.1500	7.3600
122 Nykredit 3 Cs	6	10/01/26	89.9000	6.6700
151 Denmark	7	08/15/97	100.6500	6.9500
174 Denmark	6	02/15/99	103.2200	5.8100
235 Denmark	5	08/15/05	94.4500	5.2900
Deutsche Mark				
1 Germany	6	01/04/07	102.3567	5.8600
3 Germany	4¾	11/20/01	100.6744	4.7200
4 Germany	8	01/21/02	113.8789	7.0300
7 Germany	6¼	04/26/06	104.5257	5.9800
8 Germany	6⅞	05/12/05	108.8567	6.3200
9 Germany	5	05/21/01	100.1459	4.9900
10 Germany	6	07/04/07	100.3979	5.9800
11 Germany	3¾	03/19/99	100.4050	3.7300
13 Germany	7⅜	01/03/05	112.0200	6.5800
16 Germany	6½	10/14/05	106.2400	6.1200
18 Germany	5	08/20/01	102.2686	4.8900
19 Germany	6¼	01/04/24	97.1520	6.4300
22 Treuhand	7½	09/09/04	112.7033	6.6500
23 Germany	6	02/16/06	102.8975	5.8300
25 Germany	5⅞	05/15/00	105.2900	5.5800
26 Germany	8	07/22/02	114.4161	6.9900
27 Germany	9	10/20/00	115.0500	7.8200
28 Germany	6	01/05/06	102.9117	5.8300
29 Treuhand	7⅜	12/02/02	111.7100	6.6000
30 Germany	8¼	09/20/01	114.4600	7.2100
31 Treuhand	6⅜	07/01/99	105.5000	6.0400
35 Germany	5¼	02/21/01	103.4350	5.0800
36 Treuhand	6⅞	06/11/03	106.3723	6.4600
37 Germany	5¾	08/22/00	104.8476	5.4800
39 Treuhand	6¾	05/13/04	108.4150	6.2300
42 Germany	8½	02/20/01	114¼	7.4400
43 Treuhand	6⅝	07/09/03	107.9433	6.1400
44 Treuhand	6¼	03/04/04	105.7600	5.9100
45 Treuhand	7⅛	01/29/03	110.4800	6.4500
46 Treuhand	7¾	10/01/02	113.40	6.8300
49 Germany	5⅛	11/21/00	103.0225	4.9700
50 Germany	8⅞	12/20/00	115.1450	7.7100
53 Germany	7	01/13/00	107.9300	6.4900
55 Germany	8¼	08/20/01	116.2100	7.5300
56 Germany	7½	11/11/04	112.7350	6.6500
58 Germany	6½	07/15/03	107.3800	6.0500
59 Germany	8⅜	05/21/01	114.4400	7.3200
62 Germany	9	01/22/01	115¾	7.7800
64 Germany	6½	03/15/00	104.7495	6.2100
66 Germany	6¾	04/22/03	108.7440	6.2100
67 Germany	3½	12/18/98	100.0700	3.5000
68 Germany	7⅛	12/20/02	110.0313	6.4800
69 Germany	3½	09/18/98	100.1928	3.4900
71 Germany	6⅛	05/20/99	104.9250	5.8400
73 Germany	6¾	09/15/99	106.8100	6.3200
74 Treuhand	6½	04/23/03	107.4150	6.0500
75 Germany	6	09/15/03	105.1400	5.7100
77 Germany	6	06/20/16	96.8217	6.2000
78 Treuhand	6	11/12/03	104.6583	5.7300
80 Germany	8¾	07/20/00	113.6525	7.7000
81 Germany	6¾	07/15/04	108.5267	6.2200
82 Germany	8	09/22/97	101.5900	7.8700
83 Treuhand	6¼	07/29/99	105.4400	5.9300
90 Germany	8½	08/21/00	113.1300	7.5100
91 Treuhand	5¾	04/29/99	104.0920	5.5200
92 Germany	5⅝	02/22/99	103.1586	5.2100
97 Germany	5¾	05/28/99	104.1939	5.5200
101 Germany	6⅝	12/02/98	105.0300	6.5500
104 Germany	6½	01/02/99	104.6500	6.2100
109 Treuhand	6⅛	06/25/98	100.8630	6.0700
114 Germany	7¼	10/21/02	111.1467	6.5200
116 Treuhand	5	12/17/98	102.3000	4.8900
123 Germany	7	12/22/97	102.1700	6.8500
124 Treuhand	6⅛	03/26/98	102.4132	5.9800
129 Treuhand	5⅝	09/24/98	102.8900	5.4700
134 Germany	6⅝	02/24/99	105.6500	6.5100
137 Germany	5¾	08/20/98	102.9000	5.5900
138 Germany	6¼	02/20/98	102.1800	6.1200
143 Germany	8¾	05/22/00	113.2700	7.7200
144 Germany	7½	10/20/97	101.7500	7.3700
148 Germany	6¾	06/21/99	106.2400	6.3500
154 BA Credit Card	6	11/15/05	103.1744	5.8200
157 EIB	6	10/22/03	104.7833	5.7300
158 Treuhand	7	11/25/99	107.7100	6.5000
165 Germany FRN	3.038	09/30/04	99.1800	3.0500
169 Germany	6⅜	05/20/98	103.0200	6.1900
173 Germany	5¼	10/20/98	102.5683	5.1200
176 Dresdner Fin	5½	04/30/04	100.1357	5.4900
179 KFW	5½	03/12/07	97.9500	5.6200
180 Treuhand	5	01/14/99	102.4133	4.8800
192 Spain	7	01/05/00	107.5000	6.5100
193 Germany	6⅝	01/20/98	102.2100	6.4800
199 Germany	6	02/20/98	102.0100	5.8800
203 Germany FRN	3.0500	04/06/00	99.6700	3.0600
210 Germany	5¼	11/20/97	101.0200	5.2000
215 Germany	7¾	02/21/00	109.9400	7.0500
217 Germany	8¼	07/21/97	100.8500	8.1800
219 Germany	7¼	10/20/97	101.6600	7.1300
223 Germany	6¾	08/14/98	103.5900	6.1500
226 Russia	9	03/25/04	99.9250	9.0100
232 Mexico	8¼	02/24/09	99.8000	8.2700
234 World Bank	7⅛	04/12/05	110.1000	6.4700
Dutch Guilder				
17 Netherlands	6¼	07/15/98	103.0600	6.0600
57 Netherlands	5¾	02/15/07	100.9800	5.6900
84 Netherlands	9	01/15/01	115.40	7.8000
85 Netherlands	7¾	03/01/05	114.7300	6.7500
94 Netherlands	8½	03/15/01	114.1500	7.4500
96 Netherlands	6	01/15/06	103.2500	5.8100
106 Netherlands	7½	06/15/99	107.3700	6.9900
108 Netherlands	7	06/15/05	110	6.3600
119 Netherlands	7½	04/15/10	114.70	6.5400
125 Netherlands	6¾	11/15/05	108.2500	6.2400
130 Netherlands	8¼	06/15/02	115.6000	7.1400
132 Netherlands	8¼	02/15/00	110.8500	7.4400
135 Netherlands	7½	01/15/23	114.1800	6.5700
141 Netherlands	8¾	09/15/01	116¼	7.5300
182 Netherlands	7¾	01/15/00	109.4000	7.0800
186 Netherlands	5¾	09/15/02	104.2300	5.5200
190 Netherlands	6½	04/15/03	107.5700	6.0400
208 Neth Tbills	zero	07/31/97	99.3440	3.1300
222 Netherlands	9	07/01/00	114	7.8900
ECU				
72 France OAT	7	04/25/06	107.6000	6.5100
120 France OAT	6	04/25/04	102.1500	5.8700
121 France OAT	7½	04/25/05	111.1000	6.7500
139 France OAT	8½	03/15/02	113.6800	7.4800
172 Britain T-note	5	01/26/99	101.1017	4.9500
177 France OAT	5½	04/25/07	96.2174	5.7200
185 Britain	4	01/28/00	98.9333	4.0400
191 France OAT	8¼	04/25/22	117.40	7.0300
194 Britain	9⅛	02/21/01	116.1500	7.8600
237 France OAT	9½	04/25/00	113½	8.3700
238 France BTAN	5	03/16/99	101.3200	4.9300
239 France OAT	6¾	04/25/02	107.2000	6.3000
246 Italy	6	04/02/04	101.0867	5.9400
250 France B.T.A.N.	6	03/16/01	104.2500	5.7600
Finnish Markka				
128 Finland sr 1999	11	01/15/99	111.5692	9.8600
146 Finland Serial s	7¼	04/18/06	107.9024	6.7200
French Franc				
102 France BTAN	4¾	04/12/99	101.9500	4.6600
153 France OAT	7¼	04/25/06	112.5800	6.4400
Irish Punt				
245 Ireland	8	08/18/06	110.1000	7.2700
Japanese Yen				
117 World Bank	4½	03/20/03	112.7583	3.9900
133 World Bank	4¾	12/20/04	115.7470	4.1000
171 World Bank	5¼	03/20/02	115½	4.5500
181 Spain	3.1000	09/20/06	102.1706	3.0300
197 World Bank	zero	09/20/99	96.8750	1.3600
205 World Bank	4½	06/20/00	109.3404	4.1200
231 Fannie Mae	2	12/20/99	101.6250	1.9700
236 Exim Bk Japan	4⅜	10/01/03	112	3.9100
248 Santander Intl	1.2498	11/14/01	90.0000	1.3900
Portuguese Escudo				
242 Cia De Invest E		11/15/99	100.6637	
South African Rand				
183 World Bank	zero	04/01/22	4.7030	13.0600
224 EBRD	zero	04/07/27	3.4089	11.9600
Swedish Krona				
87 Sweden	11	01/21/99	109.7370	10.0200
100 Sweden	6½	10/25/06	97.5740	6.6600
103 Sweden 1036	10¼	05/05/00	113.1510	9.0600
142 Sweden	6	02/09/05	96.1910	6.2400
160 Sweden	10¼	05/05/03	119.4920	8.5800
166 Sweden	13	06/15/01	125.7840	10.3400
202 Sweden	5½	04/12/02	97.8770	5.6200
206 Sweden	9	04/20/09	115.4380	7.8000
U.S. Dollar				
2 Brazil Cap S.L	4½	04/15/14	80.1148	5.6200
6 Argentina par L	5¼	03/31/23	66.4548	7.9000
12 Argentina FRN	6¾	03/29/05	90.4851	7.4600
14 Argentina	11⅜	01/30/17	107.8357	10.5500
24 Mexico	11½	05/15/26	108.8571	10.5600
32 Venezuela FRN	6½	12/18/07	89.7600	7.2400
34 Italy FRN	5.7188	05/12/02	99.7800	5.7300
38 Brazil L FRN	6⅞	04/15/06	89.6392	7.6700
47 Brazil par ZI	5¼	04/15/24	63.9688	8.2100
51 Mexico par A	6¼	12/31/19	74.0000	8.4500
52 Venezuela par A	6¾	03/31/20	74.1896	9.1000
60 Brazil S.L FRN	6 13/16	04/15/12	79.7813	8.7000
61 Bulgaria FRN	6⅞	07/28/11	66.2535	9.9100
65 Brazil S.ZI FRN	6½	04/15/24	80.9975	8.4900
70 Mexico par B	6¼	12/31/19	74.0000	8.4500
79 Ecuador FRN	3¼	02/28/15	61.7995	5.2600
86 Bulgaria FRN	6⅞	07/28/24	67.0625	9.7900
88 Poland FRN	6 11/16	10/27/24	98.5600	7.0400
89 Brazil Cband S.L	4½	04/15/14	85.1867	5.2800
93 Brazil FRN	6½	01/01/01	98.0875	6.6300
95 Mexico	11¾	09/15/16	107.7500	10.5600
98 Argentina FRN	6⅝	03/31/23	84.0000	7.5900
99 Russia	9¼	11/27/01	98.2500	9.4100
110 Ecuador par	3	02/28/25	44.7500	6.7100
111 Venezuela par B	6¾	03/31/20	74.1250	9.1100
112 Ecuador FRN	6⅞	02/28/25	67.8750	9.4800
113 Poland Inter	4	10/27/14	83.6250	4.7800
115 Argentina FRN	5.7031	04/01/01	127.7500	4.4600
126 Brazil S.L FRN	6⅝	04/15/09	85.1250	8.1500
127 Mexico FRN	7⅝	08/06/01	101.2100	7.7800
131 Argentina	11	10/09/06	108.1250	10.1700
136 Poland par	3	10/27/24	56.1875	5.3400
140 Argentina FRN	5.7031	09/01/02	114.90	4.9600
145 Italy	6⅞	09/27/23	92.9636	7.4000
147 First Na Bk Chic	7	05/08/00	100.6250	6.9600
149 Ontario	6	02/21/06	93.3540	6.4300
155 Peru Pdi	4	03/07/17	62.3125	6.4200
156 Panama FRN	4	07/17/16	86.2500	4.6400
161 Mexico A FRN	6.8672	12/31/19	90.2500	7.6100
162 Barclays Bk Ldn	5.5700	06/11/97	99.9850	5.5700
163 CADES	6½	03/11/02	99.0532	6.5600
164 Arg Bonites	8¾	05/09/02	98.7750	8.8600
167 Brazil	8⅞	11/05/01	102.1639	8.6900
168 Bulgaria	2¼	07/28/12	49.1888	4.5700
170 Mexico	9⅞	01/15/07	104.6250	9.4400
175 Ontario	7⅜	01/27/03	102.6021	7.1900
184 Tokyo Elec Pwr	7	02/13/07	100.1565	6.9900
187 Nigeria	6¼	11/15/20	64.7813	9.6500
188 Mexico D FRN	6.3516	12/28/19	90.6018	7.0100
189 British Telecom	6¾	04/25/02	99.6491	6.7700
195 Deut Fin Daim	zero	02/12/17	44.3750	4.2000
198 BadWuert L Fin	7	04/30/02	101.1769	6.9200
200 Argentina	8⅜	12/20/03	99.3750	8.4300
204 World Bank	6⅝	08/21/06	98.6029	6.7200
207 Canada FRN	5⅝	02/10/99	99.7700	5.5800
209 Bco Com Ext.	7¼	02/02/04	91.8750	7.8900
211 Italy FRN	5⅝	06/28/01	100.0600	5.6800
212 Venezuela FRN	6¾	03/18/07	89.6875	7.5300
214 Peru Front Load	3¼	03/07/17	56.8750	5.7100
220 EIB	7¼	04/23/07	102.2349	7.0900
225 Britain FRN	5⅝	10/04/01	99.8900	5.5700
227 Helaba Intl Fin	6⅞	04/29/02	100.5000	6.8400
228 EIB	7⅛	09/18/06	102.2861	6.9700
229 Ford Cred Eur	zero	08/06/97	98.7139	5.7200
230 HK& Shang Bk	5⅝	12/31/99	87.7700	6.6200
233 IADB	6⅝	03/07/07	98.2500	6.7400
241 Norddeutsche	6	12/21/00	98.0000	6.1200
243 Philippines Flx	8¾	10/07/16	100.2500	8.7300
244 Credit Local	6½	02/18/04	97.7500	6.6500
247 CADES	zero	06/09/97	99.0449	14.4200
249 Quebec	7	01/30/07	97.7500	7.1600

After Slide, Dollar Searches for Fresh Cues

Bloomberg News

NEW YORK — Currency traders agree that the value of the dollar, after declining for two weeks, will be dictated this week by the Federal Reserve Board's policy meeting on Tuesday. But that is about all they agree on.

"I'm 50-50 on whether the Fed will tighten" credit by raising interest rates, said Hillel Waxman, head of foreign exchange at Bank Leumi Trust Co. "There are reasons to justify why they should raise rates and reasons to justify why they shouldn't."

The U.S. central bank has seen some numbers showing strength in the economy and some indicating a slowdown from the first quarter's torrid 5.6 percent annualized growth pace. The government reported last week that industrial production was level in April while retail sales fell. But on Friday the government announced that housing starts rose in April, and the University of Michigan said its consumer-sentiment index had advanced this month.

"People are starting to dismiss the possibility of a Fed rate hike," said Charles Spence, director of foreign exchange at Standard Chartered Bank. "But as we get closer to Tuesday, people will get more nervous that there could be one."

If the Fed does not raise rates Tuesday, it may well do so at the next policy meeting in July, Mr. Waxman said. With the U.S. economy stronger and U.S. interest rates higher than in Germany and Japan, the dollar should ultimately rise, he said.

"The dollar certainly belongs higher than it is, based on economic fundamentals — if the market ever decides to take a look at them," Mr. Waxman said.

He forecast the dollar would trade between 113 yen and 118 yen and 1.6850 Deutsche marks and 1.7350 DM this week.

Last week, the dollar fell more than 2.5 percent against the yen, adding to the previous week's 5.25 percent drop, which was the biggest since September 1985. That came after the dollar reached 127.50 yen, a four and a half year high, on May 1. The dollar's plunge was in part the result of weeks of warnings by Japanese officials that they would act to halt the dollar's rise.

Those moves convinced some traders that the Japanese economy was finally rebounding after five years of stagnation, and that the Bank of Japan would raise official interest rates soon.

"Now the yen has momentum of its own," said John McCarthy, a manager at ING Baring Capital Markets.

New International Bond Issues

Compiled by Charlotte Sector

Issuer	Amount (millions)	Mat.	Coup. %	Price	Price end week	Terms
Floating Rate Notes						
FC CBO	$800	2009	open	open	—	Over 6-month Libor. Callable at par from 2000. Fees 0.50%. Denominations $10,000. Terms to be set May 19. (Goldman Sachs Intl.)
Goldman Sachs	$300	2004	¼	99.89	—	Over 3-month Libor. Callable at par from 2000. Fees 0.30%. Denominations $10,000. (Goldman Sachs Intl.)
Suntrust Banks	$350	2027	0.67	99.313	—	Over 3-month Libor. Private placement callable at par from 2007. Fees 0.875%. (Lehman Brothers Intl.)
Wachovia Bank North Carolina	$350	2002	⅛	99.73	—	Below 3-month Libor. Noncallable. Fees 0.175%. Denominations $250. (Merrill Lynch Intl.)
Argentaria Global Finance	DM300	2002	6¼	99.952	—	Over 3-month Libor. Noncallable. Fees 0.15%. Denominations 100,000 marks. (Banque Paribas.)
Westpac Banking	DM350	1999	0.05	99.96	—	Below 3-month Libor. Noncallable. Fees 0.10%. (J.P. Morgan Securities.)
Compagnie Bancaire	£200	2004	0.10	99.895	—	Over 3-month Libor. Noncallable. Fees 2¼%. Denominations £10,000. (Barclays de Zoete Wedd.)
Fixed						
British Telecom	$1,000	2007	7	101.937	99.74	Reoffered at 99.722. Noncallable. Fees 2%. (Goldman Sachs Intl.)
Czech Export Bank	$200	2002	7	99.419	99.40	Noncallable. Fees 0.35%. Denominations $10,000. (J.P. Morgan.)
Sweden	$500	2004	6¾	101.064	99.55	Reoffered at 99.489. Noncallable. Fees 1⅞%. (ABN-AMRO Hoare Govett.)
Toronto Dominion Bank	$250	2002	6¾	101.335	99.54	Reoffered at 99.71. Noncallable. Fees 1⅞%. (International Bank of Japan).
Total	$300	2004	6⅞	101.266	99.27	Reoffered at 99.691. Noncallable. Fees 1⅞%. (Morgan Stanley Intl.)
Toyota Credit Canada	$400	2002	6⅝	99.623	99.47	Noncallable. Fees 0.25%. (Merrill Lynch Intl.)
Turkey	$100	2002	10	100.046	—	Noncallable. Fungible with outstanding issue, raising total amount to $400 million. Fees not disclosed. Denominations $10,000. (J.P. Morgan Securities.)
GMAC Canada	DM250	2002	5	101.86	99.70	Reoffered at 100.16. Noncallable. Fees 2%. (Dresdner Kleinwort Benson.)
Tokyo Electric Power	DM1,000	2002	4¾	102.15	99.64	Reoffered at 99.90. Noncallable. Fees 2%. (Westdeutsche Landesbank.)
Castle Transmission	£125	2007	9	99.161	—	Redeemable at 101.00 at any time. Fees not disclosed. Denominations £10,000. (Credit Suisse First Boston.)
Mexico	£300	2002	8¾	101.213	—	Reoffered at 99.713. Noncallable. Fees 2%. (Barclays de Zoete Wedd.)
National Power	£200	2022	8⅛	101.201		Reoffered at 99.326. Noncallable. Fees 2½%. (Barclays de Zoete Wedd.)
European Investment Bank	FF500	2007	5.11	100.00	99.75	Interest will be 5.11% until 2002, when issue is callable at par, thereafter 6.70%. Fees 0.325%. Denominations 100,000 francs. (Societe Generale.)
Export-Import Bank of Japan	FF2,000	2008	5¾	99.721	99.50	Noncallable. Fees 0.35%. (Banque Paribas.)
Volvo Finance Sweden	FF1,000	2009	6⅛	101.052	98.88	Reoffered at 99.502. Noncallable. Issue may be redenominated in euros after EMU. Fees 2%. (ABN-AMRO Hoare Govett.)
Bayerische Hypotheken und Wechsel Bank	ITL200,000	2002	7.10	101.635	99.80	Callable at par from 1999. Fees 1⅞%. (Banca Nazionale del Lavoro.)
Telecom Argentina	ITL400,000	2007	8⅞	100.73	99.55	Reoffered at 99.33. Noncallable. Fees 2%. (Banca Commerciale Italiana.)
Commerzbank Overseas Finance	DF250	2003	5	101.19	99.14	Reoffered at 99.615. Noncallable. Fees 1⅞%. (ABN-AMRO Hoare Govett.)
Italy	DF1,250	2012	6⅛	100.79	98.60	Reoffered at 99.19. Noncallable. Issue may be redenominated in euros after EMU. Fees 2%. (ABN-AMRO Hoare Govett.)
Kansai Electric Power	DF1,000	2007	5¼	101.207	98.94	Reoffered at 99.532. Noncallable. Fees 2%. Denominations 500,000 guilders. (ABN-AMRO Hoare Govett.)
Sara Lee	DF250	2001	4¾	101.145	99.52	Reoffered at 99.77. Noncallable. Fees 1⅝%. (ABN-AMRO Hoare Govett.)
Banque Generale du Luxembourg	ECU75	2003	5½	102.04	100.45	Noncallable. Fees 1⅞%. (Banque Generale du Luxembourg.)
General Electric Capital Corp.	ECU150	2002	5⅛	101.495	—	Reoffered at 99.87. Noncallable. Fees 1⅞%. (Banque Paribas.)
Deutsche Finance Netherlands	SAR2,000	2017	zero	7.70	7.30	Yield 13.87%. Reoffered at 7.45. Noncallable. Proceeds 153 million rand. Fees 0.40%. (Deutsche Morgan Grenfell.)
European Bank for Reconstruction and Development	SAR2,000	2027	zero	3.30	3.10	Yield 12.04%. Reoffered at 3.15. Fungible with outstanding issue, raising total face amount to 7 billion rand. Noncallable. Fees 0.25%. (Morgan Stanley Intl.)
Swedish Export Credit	SAR500	2017	zero	7.33	—	Yield 13.96%. Fungible with outstanding issue, raising total face amount to 4 billion rand. Noncallable. Fees 0.50%. (Hambros Bank.)
Mitsubishi Electric Finance America	Y10,000	1999	1½	101.18	—	Noncallable. Fees 0.20%. (Daiwa Europe.)
New America	Y30,000	2000	5¼	100.00	—	Semiannually. Redemption at maturity will be in dollars. Noncallable. Fees 1.60%. (Nomura Intl.)
Equity Linked						
Atmel	$150	2002	3¼	100.00	—	Interest will be 3¼% until 2000, thereafter 8 to 8½%. Noncallable. Convertible at an expected 42 to 45% premium. Fees not disclosed. Terms to be set May 21. (Deutsche Morgan Grenfell.)
Huaneng Power Intl	$200	2004	1¾	100.00	—	Semiannually. Redeemable at 128.575 in 2002 to yield 0.10 over Treasuries. Convertible at $29.20 per share, on 18% premium. Fees 2½%. (J.P. Morgan Securities.)
Nestle Holdings	$300	2002	3	100.00	—	Callable at par in 2000. Convertible at 2,277.78 francs per share, a 22.46% premium, and at 1.435 francs per dollar. Fees 2½%. Denominations $10,000. (Credit Suisse First Boston.)
UBS Finance	$325	2002	2¾	100.00	—	Noncallable. Convertible at 1,845 Swiss francs per share, a 23% premium, and at 1.43 francs per dollar. Fees not available. (UBS Ltd.)

The Week Ahead: World Economic Calendar, May 19-23

A schedule of this week's economic and financial events, compiled for the International Herald Tribune by Bloomberg Business News.

	Asia-Pacific	Europe	Americas
Expected This Week	**Canberra:** China's deputy prime minister, Zhu Rongji, discusses bilateral trade with Prime Minister John Howard. Friday to June 1. **Hong Kong:** MoneyWorld Asia-Hong Kong '97 trade fair on money, investment and financial services. Friday to Sunday.	**Brussels:** European Union agriculture ministers meet. Tuesday and Wednesday. **Madrid:** Conference on the impact of Europe's single currency on financial markets. Speakers include Luis Angel Rojo, governor of the Bank of Spain. Saturday and Sunday.	**Anaheim, California:** International Business Machines Corp. sponsors its Financial Services Industry Conference. Speakers include former U.S. Trade Representative Mickey Kantor; author Alvin Toffler. Sunday to Wednesday.
Monday May 19	**Bangkok:** Finance Ministry, Bank of Thailand and National Economic and Social Development Board to discuss deficit and economic problems. **Hong Kong:** Beijing Enterprises Ltd.'s chairman announces company's listing on stock exchange.	**London:** April public-sector borrowing requirement. **Madrid:** Spanish National Statistics Institute releases unemployment rate for first quarter. **Turin:** Istituto San Paolo di Torino SpA begins initial public offering.	**Mexico City:** Finance Ministry releases first-quarter gross domestic product figures. **Earnings expected:** Con Edison, Filene's Basement, Lowe's Cos., Limited, Neiman Marcus Group, Toys "R" Us.
Tuesday May 20	**Tokyo:** Bank of Japan releases monthly economic review. Ministry of International Trade and Industry releases revised data on industrial production in March. **Earnings expected:** Arts Optical International Holdings.	**Paris:** Chancellor Helmut Kohl of Germany meets with President Jacques Chirac to discuss European single currency. **Rome:** Confindustria releases annual industrial production numbers. **Annual meeting:** Deutsche Bank.	**Washington:** Federal Open Market Committee meets to set interest-rate policy. **Mexico City:** April unemployment figures. **Ottawa:** Statistics Canada reports March wholesale trade.
Wednesday May 21	**Sydney:** Westpac-Melbourne Institute releases index for March. **Tokyo:** Federation of Electric Power Companies releases data on electricity demand in April. **Annual meetings:** CRA, Dong Shin Paper Manufacturing.	**London:** April M4 bank lending figures. April M4 money supply figures. **Earnings expected:** Carlton Communications, Courtaulds, Deutsche Postbank, Metallgesellschaft, RWE, Zurich Group.	**Washington:** Trade deficit in goods and services for March. April budget statement. **Earnings expected:** Carbide/Graphite Group, Computer Associates International, Harnischfeger Industries, Home Depot.
Thursday May 22	**Wellington:** Deputy Prime Minister Winston Peters presents budget update to Parliament. **Annual meetings:** Teledata (Singapore), Zagro Asia.	**London:** Revised gross domestic product figures for first quarter. Retail sales for April. **Munich:** Economic research institute Ifo to publish April survey of German business climate. **Paris:** March industrial production.	**Mexico City:** Energy Regulatory Commission begins accepting bids for a 12-year concession to build and operate a natural-gas distribution system in Toluca. **Earnings expected:** Barnes & Noble, Bon-Ton Stores, Proffitt's, Mitel.
Friday May 23	**Manila:** National Development Company holds pre-bidding conference on the sale of its 7.5 percent share in National Steel Corp.	**Maastricht, Netherlands:** European Union heads of state and government hold summit to discuss revisions to the European Union treaties. **Annual meetings:** Dresdner Bank, Zeneca Group.	**Mexico City:** First-quarter nominal gross domestic product. **Buenos Aires:** Industrial production for April. **Ottawa:** Statistics Canada releases first-quarter financial statistics for companies.

Last Week's Markets

Stock Indexes

	May 16	May 9	% Ch'ge
United States			
DJ Indus.	7,194.67	7,169.533	+ 0.35
DJ Util.	221.94	223.66	− 0.77
DJ Trans.	2,424.63	2,601.20	+ 0.90
S & P 100	812.56	808.47	+ 0.51
S & P 500	829.75	824.79	+ 0.60
S & P Ind	977.50	970.00	+ 0.77
NYSE Cp	432.44	429.23	+ 0.75
Nasdaq Cp	1,340.74	1,335.20	+ 0.41
Japan			
Nikkei 225	20,324.73	19,802.78	+2.64
Britain			
FTSE 100	4,693.90	4,630.90	+ 1.36
Canada			
TSE Indus.	6,247.60	6,220.70	+ 0.43
France			
CAC 40	2,784.28	2,633.91	+ 5.71
Germany			
DAX	3,604.55	3,562.41	+ 1.18
Hong Kong			
Hang Seng	14,062.37	13,390.80	+0.94
World			
MSCIP	899.01	872.91	+2.99

World Index from Morgan Stanley Capital Intl Perspective.

Money Rates

	May 16	May 9
United States		
Discount rate	5.00	5.00
Prime rate	8½	8½
Federal funds rate	5 9/16	5 7/16
Japan		
Discount	0.50	0.50
Call money	0.36	0.43
3-month interbank	0.54	0.54
Britain		
Bank base rate	6¼	6.00
Call money	6¼	n.a.
3-month interbank	6⅜	6 7/16
France		
Intervention rate	3.10	3.10
Call money	3 1/16	3 3/16
3-month interbank	3⅜	3⅜
Germany		
Lombard	4.50	4.50
Call money	3.13	3.12
3-month interbank	3.20	3.23

Gold	May 16	May 9	% Ch'ge
London p.m. fix $	344.50	345.85	- 0.039

Euromarts

Eurobond Yields

	May 14	May 7	Yr high	Yr low
U.S. $, long term	7.08	7.08	7.08	6.53
U.S. $, mdm term	6.59	6.65	6.83	6.10
U.S. $, short term	6.39	6.50	6.50	5.96
Pounds sterling	7.52	7.55	7.75	7.09
French francs	5.01	5.01	5.02	4.66
Italian lire	7.09	7.10	7.78	6.98
Danish kroner	5.64	5.64	5.92	5.38
Swedish kronor	5.51	5.52	5.61	4.82
ECUs, long term	6.32	6.32	6.42	5.76
ECUs, mdm term	5.34	5.35	5.47	4.76
Can. $	6.32	6.39	6.51	5.70
Aus. $	7.28	7.31	7.86	7.11
N.Z. $	7.65	7.75	8.39	7.19
Yen	1.96	1.96	1.96	1.64

Source: Luxembourg stock exchange.

Weekly Sales May 15

	Cedel Bk $	Cedel Bk Non$	Euroclear $	Euroclear Non$
Primary Market				
Straights	147.9	6.5	512.6	545.4
Convert.	1.0	0.0	14.5	129.6
FRNs	423.0	474.0	1,817.5	153.1
ECP	10,914.1	9,972.9	12,427.7	10,791.0
Total	11,486.0	10,453.2	12,955.1	11,599.1
Secondary Market				
Straights	22,377.0	17,952.6	91,165.9	28,410.5
Convert.	686.1	646.3	3,155.1	1,874.4
FRNs	18,114.7	6,080.8	52,456.6	6,635.3
ECP	14,064.2	12,248.1	22,520.3	25,479.0
Total	55,242.0	36,927.8	169,497.9	62,399.2

Source: Euroclear, Cedel Bank.

Libor Rates

	1-month	3-month	6-month
U.S. $	5 11/16	5½	6
Deutsche mark	3⅛	3⅛	3¼
Pound sterling	6⅞	6½	6¾
French franc	3 5/16	3⅜	3 7/16
ECU	4½	4½	4⅝
Yen	9/16	½	9/16

Sources: Lloyds Bank, Reuters.

Beware of ...
That Refus...

U.S. Law Protecting ...

By David Cay Johnston

BA Looks Pr...

CYBERSCAPE

Oracle Is Set t...

CURRENCY RAT...

Cross Rates

Other Dollar Values

Forward Rates

Beware of Pension Plans That Refuse to Deliver

U.S. Law Protecting Retirees Has Loopholes

By David Cay Johnston
New York Times Service

NEW YORK — When Vincent Russo of Forest Hills, New York, retired in 1993 after 31 years as an insurance agent for the New York Life Insurance Co., he expected a secure future, with money coming in every month from two company pensions.

But three years after he left work, New York Life reduced the monthly payments on one of his pensions, contending that he no longer deserved the money.

Mr. Russo sued the company, trying to get what he calls his full pension restored. A New York Supreme Court judge dismissed the suit in November, ruling that the company had acted within its rights. Mr. Russo is appealing that decision.

The Employee Retirement Income Security Act of 1974, known as ERISA, was supposed to end such disputes by protecting employees' pensions. But though many people think their pensions are secure thanks to the law, not all pensions fall under its jurisdiction, as Mr. Russo discovered.

ERISA covers all pensions from corporations as well as pensions from most nonprofit groups. It regulates whom pensions must cover and how much they can be reduced by Social Security, and it establishes financing standards.

But the law does not govern pensions from state and local governments or religious organizations. Nor does it govern the supplemental pensions that corporations provide to their higher-paid executives and salespeople, like Mr. Russo, when their earnings exceed federal caps on traditional pensions.

Supplemental executive pensions are called "nonqualified" because *they do not qualify for the tax breaks* that employers receive when they sponsor qualified pension plans.

Phyllis Borzi, a pension expert at George Washington University who was chief of staff to a House subcommittee on pensions for 16 years, says that if you are in a pension plan that is exempt from ERISA, "they can do whatever they want to you."

Ralph Jackson worked for 27 years for the city of New York and for the state, retiring in 1988, but he never collected a penny in pension money. His lawyer, Edgar Pauk, deputy director of Legal Services for the Elderly in Manhattan, says that is because of a host of rules and technicalities set by his two employers and because Mr. Jackson made errors in his pension forms as he transferred between various city and state jobs.

"Everyone who looked at his case agreed it was unfair, but they would do nothing because there was nothing in the rules to correct this outrage," Mr. Pauk said.

Even the thousands of people with pensions that are covered under ERISA can have problems collecting.

"In the normal course, benefits get paid," said David Levin, a lawyer with the Washington office of Reish & Luftman, a benefits law firm. "And how well it goes for the vast majority of people is a wonderful thing. But there are also all sorts of shenanigans."

The most common problems, benefits lawyers say, are that companies are sold, merged and split up, and it is hard to track where the pension plans went. Once you locate your particular pension plan, the company may not have records of your employment, especially if you changed jobs years ago.

See PENSION, Page 15



Steve Berman/The New York Times
Vincent Russo of Queens found his supplemental pension was no good.

A Struggling Germany Seeks Budget Ballast

Waigel Says He Won't Rule Out Tax Rise

By John Schmid
International Herald Tribune

FRANKFURT — The government of Chancellor Helmut Kohl appeared headed into a political minefield after Finance Minister Theo Waigel acknowledged that he was willing to consider raising taxes next year to cover another looming budget shortfall.

Appearing Saturday in Nuremberg at a meeting of ethnic Germans who were expelled from Czechoslovakia after World War II, Mr. Waigel warned that he could not rule out a tax increase in 1998, although he called the move "a last and undesirable resort."

Near-record unemployment has forced Bonn to spend about 20 billion *Deutsche marks ($11.74 billion) on job*less benefits this year.

The prospect that the 1998 deficit would again step out of line with the European Union's single-currency standards heightened an already acute sense of embarrassment for a government whose credibility has waned since stating last week that it would resort to the same *sorts of one-time budget fixes that it has* condemned other countries for using.

Mr. Waigel has said he was planning an emergency sale of shares in Deutsche Telekom AG and the creation of new fiscal reserves by reassessing the nation's gold and foreign-currency stockpiles.

These are not easy admissions for Germany, which, more than any other EU nation, has irked its partners with demands for "sustainable" measures to rein in deficits to bring them into line with single-currency standards.

"Waigel has always claimed to be a paragon of correctness," said Udo Ludwig, director of the Halle Economic Research Institute. "Now it turns out he preaches water but drinks wine."

Borrowing a term from the Bundesbank's president, *Hans Tietmeyer, Mr.* Ludwig called Mr. Waigel's proposals a form of "window dressing" that used up some of Germany's most valuable resources. Mr. Tietmeyer used that term to deride France, Germany's closest EU ally, in October when the French government proposed transferring pension funds from the national telephone company *into state coffers to help polish its* budget figures.

Meanwhile, with Germany appearing to have surrendered a degree of its moral authority, Italy has wasted no time in moving to exploit its new-and-improved bargaining position. Over the weekend, Italy announced plans for a tax increase of its own next year with the *express aim of plugging its deficits to* help convince the EU that it is ready for the euro.

The notion of a German tax increase next year signals another disruptive split within Mr. Kohl's coalition. The Free Democratic Party, the junior partners in the coalition, have vowed to oppose such a move. The Free Democrats are to hold their annual party congress on Friday.

Bonn's Raid on Reserves: Who Wins in Euro Race?

By Carl Gewirtz
International Herald Tribune

PARIS — The apparent extravagance of the means — last week's raid by the German government on the resources of the country's central bank — nearly obscured the ends: Monetary union as scheduled on Jan. 1, 1999, with the Maastricht treaty's criteria intact and Germany as a founding member.

Finance Minister Theo Waigel said Friday that Germany would revaluate its gold and foreign-currency reserves to help the country meet the criteria for the launching of the single-currency.

John Llewellyn at Lehman Brothers said the Finance Ministry's pronouncement last week showed Germany's "determination to meet and beat the qualifying criteria."

These include a budget deficit no larger than 3 percent of gross domestic *product and a debt burden no greater* than 60 percent of GDP.

Patrick Artus, chief economist at state-owned Caisse des Depots, France's largest institutional investor, said, "This clearly shows that Germany intends to go ahead with monetary union and will not let any deviation from economic criteria stand in its way."

The currency market's reaction to the government's move was quiet. The Deutsche mark declined modestly against the other Continental currencies, and the German bond market sold off as markets in Italy and Spain, which usually follow the trend set in Frankfurt, rallied. The European Currency Unit, or Ecu, a forerunner to the euro — the future common currency — was little changed.

Italy is widely perceived to be the major beneficiary of the German decision to engage in "creative accounting" practices. Italy has been criticized for using a one-time tax increase, to be refunded the following year, to meet the criteria to enter the union. Now, most analysts agree with Graham Bishop of Salomon Brothers in London, who said that "Germany has lost the moral high ground" it staked

See GERMANY, Page 15

BA Looks Profitable, But New Alliance Is Cloudy

By Erik Ipsen
International Herald Tribune

LONDON — British Airways PLC is expected to announce Monday a 7 percent rise in pretax earnings for 1996 and to trumpet its progress on a three-year plan to slash annual operating costs.

But the airline, which analysts say earned around £630 million ($1.03 billion) last year, will probably be less forthcoming about the most crucial question bearing on its future — its planned alliance with AMR Corp., the parent of American Airlines.

Nearly a year after British Airways said it would link up with American in a *code-sharing and marketing alliance* hailed as potentially the most powerful in the industry, attempts to put those plans into action have fallen months behind schedule.

The European Commission's competition directorate is due to rule this week on whether the alliance can proceed. Commission approval is required because of the two airlines' strength in their home markets and because of the alliance's potential to dominate lucrative routes between the United States and London.

Meanwhile, BA's four-year alliance with USAir Group Inc. which British Airways said fattened its bottom line by about £100 million a year, has died.

"The sad fact is that the old alliance, which worked quite well for BA, has collapsed in a heap, whereas the new *alliance has not got off the ground yet,* and it may never," said Keith McMullen, an analyst at Avmark International, an airline consulting firm.

But British Airways is convinced that time and events stand on its side. Last week, the airline's chief executive, Bob Ayling, pounced on the official unveiling of the so-called Star Alliance of Lufthansa AG, Scandinavian Airlines System, Air Canada, Thai International Airlines, and UAL Corp.'s United Airlines, calling it "ultimate proof" that the industry was abandoning its national wellsprings in favor of global alliances.

Others insist that the old fears about huge companies abusing their dominant market positions have increasingly been supplanted by the conviction that only giants grow and prosper in global markets.

"*The world has moved on since the* BA-American alliance was first announced," said Andrew Darke, an analyst at the brokerage Williams deBroe. He cited not only the Star Alliance, but also Boeing Co.'s acquisition of McDonnell Douglas Corp.

In the meantime, British Airways continues one of the industry's most radical attacks on its cost base. Earlier this month, BA sold off its ground-fleet services operation at London's Heathrow airport with its 415 employees; cut a deal with its 3,500 cabin-crew members, who agreed to pay cuts in exchange for job guarantees and better pensions; and forged an accord with cargo workers involving a two-year salary freeze and 400 layoffs.

Last week, BA's plans to sell off its long-haul catering business at Heathrow *prompted a strike by catering workers.* The industrial action left galleys empty and forced the airline to cancel some flights to the United States.

CYBERSCAPE

Oracle Is Set to Network With a Netscape Unit

Bloomberg News

MOUNTAIN VIEW, California — Oracle Corp. will announce Monday that it is investing in Netscape Communications Corp.'s Navio Communications unit, a person familiar with the agreement said.

Oracle's Network Computer Inc. unit, formed to develop software for network computers, televisions and game machines, would take the stake in Navio, the person familiar with the agreement said. Netscape holds a majority interest in Navio.

Netscape officials declined to comment, except to say that the announcement was not an acquisition of Netscape by Oracle. Oracle officials were unavailable to comment.

The *alliance is intended to* compete against Microsoft Corp.'s Internet initiatives.

Netscape created Navio to make Internet software for devices running everything from televisions to handheld computers. Oracle could use the software, analysts said, for network computers. Such a system is a low-cost machine that lacks a hard drive and is connected to a network. The Navio software could be used by Oracle to connect network computers to the Internet.

The agreement would follow Microsoft's decision last month to buy a Navio rival, WebTV Networks Inc., for *$425 million, as part of a push* to combine televisions, the Internet and software.

Josh Bernoff, an analyst at Forrester Research Inc., said that since both Netscape and Oracle are in the network computer business, "it would make a nice alliance against Microsoft."

The alliance would let the companies pool their resources to develop software for devices other than personal computers, Mr. Bernoff added.

Netscape created Navio as a separate company to let both companies concentrate on different markets, as Net*scape moved to focus on de*veloping more sophisticated software for the corporate computer networks, rather than devices. Navio has worked with such companies as Sony Corp., Nintendo Ltd. and NEC Corp.

On Friday, Netscape and *Oracle issued a press release* saying the Netscape president, Jim Barksdale, and the Oracle chairman, Larry Ellison, would make an announcement Monday. Netscape shares rose as much as 13 percent in trading after Nasdaq trading closed Friday on speculation that Oracle would buy Netscape.

Oracle has been one of the leading proponents of the network computer, along with Sun Microsystems Inc. and International Business Machines Corp.

The network computer is being proposed as a way to lower computer administra*tions costs by ending costly* updates of PCs. Network computers receive their software and data from central computers on the network.

Internet address:
CyberScape@iht.com

CURRENCY RATES

May 16

Cross Rates

	$	£	D.M.	F.F.	Lire	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.9045	3.1205	1.1745	0.3338	0.114	—	5.4475	1.3404	1.6536	1.3915	1.3035
Brussels	35.0225	57.61	20.642	6.1325	2.0956	18.3595	—	24.527	0.3036	25.67	24.4925
Frankfurt	1.7802	2.794	—	0.297	0.1015	0.8894	4.845	1.1885	1.4735	1.2425	1.1867
London (£)	1.6375	—	2.774	9.3445	2.737.48	8.56	3.1117	57.5798	2.3241	188.8445	2.344	234.664
Madrid	143.266	235.057	84.299	25.035	8.56	74.969	408.63	55.312	124.341	104.865	—	—
Milan	1,674.90	2,746.00	985.20	292.38	—	875.30	34.95	1,4003	115.625	1,3733	140.265	
New York (b)	—	1.6368	1.6851	5.6895	1,670.00	1.9029	34.95	1.4003	115.625	1,3733	140.265	
Paris	5.7227	9.389	3.3673	—	0.347	2.9946	0.1651	4.007	4.9668	4.3888	3.9955	
Tokyo	116.95	191.70	69.68	20.41	0.698	61.09	3.3281	81.57	—	85.22	0.815	
Toronto	1.3741	2.2495	0.812	0.241	0.0823	0.7215	0.3932	0.9665	1.1861	—	0.957	
Zurich	1.42	2.3224	0.8371	0.2484	0.0849	0.7441	4.0547	—	1.23	1.0342	0.9929	
1 ECU	1.1528	0.7826	1.9597	6.5969	1,929.33	2.2029	48.036	1.6464	192.821	1.5749	165.899	
1 SDR	1.3934	0.8491	2.3719	7.9742	2,332.14	2.6629	48.8366	1.9953	162.614	1.9266	199.588	

Closings in Amsterdam, London, Milan, Paris and Zurich; fixings in other centers: New York rates at 4 P.M. and Toronto rates at 3 P.M.
*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9986	Greek drac.	270.81	Mex. peso	7.887	S. Afr. rand	4.476
Australian $	1.2918	Hong Kong $	7.738	N. Zealand $	1.4409	S. Kor. won	892.00
Austrian sch.	11.958	Hung. forint	180.56	Norw. krone	7.057	Swed. krona	7.6071
Brazil real	1.071	Indian rupee	35.805	Phil. peso	26.37	Taiwan $	27.74
Chinese yuan	8.3221	Indo. rupiah	2440.5	Polish zloty	3.15	Thai baht	25.35
Czech koruna	30.67	Irish £	0.6563	Port. escudo	171.34	Turkish lira	136680.
Danish krone	6.4702	Israeli shek.	3.3985	Russ. ruble	5761.5	UAE dirham	3.671
Egypt. pound	3.3952	Kuw. dinar	0.3003	Saudi riyal	3.75	Venez. bolív.	483.00
Fin. markka	5.1310	Malay. ring.	2.4845	Sing. $	1.432		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6403	1.6395	1.6387	Japanese yen	114.75	114.21	113.72
Canadian dollar	1.3626	1.3596	1.3568	Swiss franc	1.4236	1.4192	1.4143
Deutsche mark	1.6954	1.6919	1.6881				

Sources: ING Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo).

Total Denies Deal With Iran

Compiled by Our Staff From Dispatches

TEHRAN — Total SA denied Sunday that it had signed an oil and gas contract with Iran, despite an announcement by Iran's foreign minister, Ali Akbar Velayati, that a deal had been reached.

A representative of the French company said Total had "signed no contract" with the Islamic republic.

Mr. Velayati announced Sunday that the $3.5 billion contract to develop the South Pars field, one of the biggest oil and gas fields in the Gulf, was signed between Total and Iran's state-owned National Iranian Oil Co.

"Talks are continuing with foreign oil and gas companies on a number of projects, but no final agreements have been signed yet," the Iranian company said.

Total and Royal Dutch/Shell Group are among European companies bidding to develop the second phase of the South Pars field at an estimated cost of $900 million.

Total and Shell confirmed this month that they have been involved in advanced negotiations with the Iranian company on South Pars but that a contract had not yet been signed.

Total is developing two fields off the Persian Gulf island of Sirri under an agreement signed in 1995. Total secured the $600 million contract in July 1995 after Conoco Inc., a subsidiary of DuPont Co., bowed to pressure from the U.S. government and withdrew from an agreement to develop the two Sirri fields. Under the terms of trade sanctions against Iran, U.S. companies are barred from investing in Iran's oil and gas fields.

(AFP, Reuters, Bloomberg)

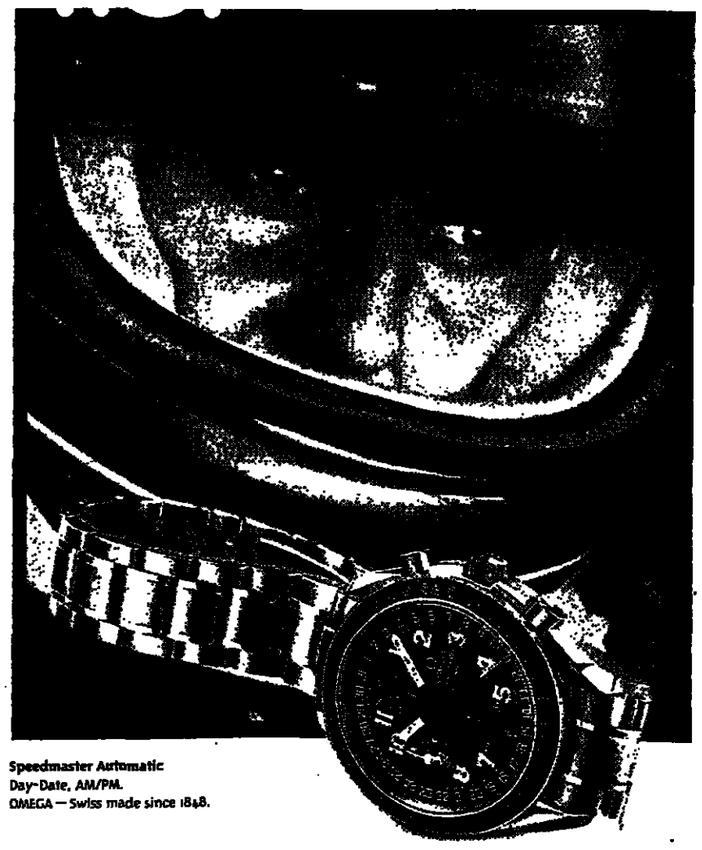
■ Western Banks to Aid Gazprom

Goldman Sachs & Co. has said it and other Western investment banks plan to arrange $3.5 billion in loans and debt and equity sales to help RAO Gazprom of Russia construct a pipeline to Europe and develop new gas fields, Bloomberg News reported from Moscow.

Goldman Sachs and ABN-Amro Bank, a Dutch bank, will first arrange a $1 billion short-term credit for Gazprom, the world's largest natural gas company, a Goldman Sachs representative said Saturday.

The credit will be refinanced by offering as much as $2.5 billion in debt and equity in sales led by Goldman and ABN-Amro, the spokesman said.

Michael Schumacher's Choice



Speedmaster Automatic
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OMEGA — Swiss made since 1848.

Ω OMEGA
The sign of excellence

NASDAQ NATIONAL MARKET

Consolidated prices for all shares traded during week ended Friday, May 16

Continued on Page 17

Investors

KUALA LUMPUR ... is mounting in Asia's ... nications markets, ... are running for cover.

"I'm avoiding telecom ... stocks," said Roslan ... manager at Asiambank ... Bhd. "There's too much ... hovering over these companies' ... growth."

Southeast Asia's telephone ... ies, once market favorites ... they faced little competition in ... growing markets, have hit the skids. ... Investors are betting that a flood of ... new service providers will erode the ... fat profit margins of these often state- ... controlled companies. ... In addition, waning investor appetite ... for telephone stocks is hampering ... capitalization efforts by new market ... entrants. On Wednesday, Malaysia's ... third-largest cellular phone company, ... Binariang S... said it had delayed its ... planned initial public offering, citing a slump in the ... stock market.

"The whole world is coming ... terms with the fact that in telecom ... the future we have to have more ... ," said Sally Wyn..., a fund manager ... Jardine Fleming Asia Ltd. in ... Hong Kong. "This region isn't really ... different. ... Typically, state-controlled, ... telecom companies have been ... poor performers for longer than ... State-owned companies in the ... U.S. and Britain attracted ... investors who were ... prepared to ...

PENSION: *Benefits*

Continued from Page 13

ERISA ... companies to keep ... costs ... Holyoke, Mass., ... John K... for ... Adams, ... a ... pension ... there ... predecessor ... But ... died in 1975, ... he would ... to go on ... collecting ... He ... eventually ... called ... Assistance Program ... in the ... , which ... on Gen... direct their ... plans. ... Jack ... employees who ... counsels ... Adams Pension ... problems. ... wood ... paths, but he ... finally ... on pleasure ... terminate ... was ... to ... buy annuities ... Insurance ... Wilmington, ... Life ... president ...

GERMANY: *Creating*

Continued from Page 13

... out on ... reasons ... But ... German ... the case ... after the ... but before ... euro was ... Keeping ... intact ... the start. ... The ... unexpected ... Bundesbank ... has agreed ... government ... "The ... amusement ... news of an ... shortfall in ... public-relations ... said Hans-Jürgen ... of Deutsche Bank ... Thomas ... an economist ... bank, and ... a Goldman Sachs ... last ... said the ... maneuver was ... legal statement ... an union would ... planned. But ... would have ... manner to ... valuation of the ... bank's assets ... vision on how ... government's ... term ... Germany, ... Sweden are the ... countries whose ... serves — gold and ... exchange — are ... historic levels rather ... market prices. ... gold is valued at ... price of 144 DM ... since compared ... rent market value ... 500 DM. Its dollar ... are valued at ... compared with ... value of 1.6931 DM. ... The European Monetary ... Institute, forerunner ... European Central Bank, ... quires, that all ... the future central bank ... reserves unilateral...

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Investors Shun Asian Phone Shares

Bloomberg News

KUALA LUMPUR — Competition is mounting in Asia's telecommunications markets, and investors are running for cover.

"I'm avoiding telecommunication stocks," said Roslan Harun, a fund manager at Aseambankers Malaysia Bhd. "There's too much uncertainty hovering over these companies' earnings growth."

Southeast Asia's telephone companies, once market favorites because they faced little competition in fast-growing markets, have hit the skids.

Investors are betting that a flood of new service providers will erode the large profit margins of these often slow-moving, state-controlled companies.

In addition, waning investor appetite for telephone stocks is hampering capital-raising efforts by new market entrants. On Wednesday, Malaysia's third-largest cellular phone company, Binariang Sdn., said it had delayed a planned initial public offering until year's end, blaming a slump in the stock market.

"The whole world is coming to terms with the fact that in industries like this, you have to have more players," said Sally Woo, a fund manager at Mees Pierson Asia Ltd. in Singapore. "This region isn't really any different."

Typically state-controlled, Asia's telecommunications heavyweights enjoyed monopolies longer than companies in the United States and Britain.

Investors were also attracted by the companies' towering presence in local stock markets. Singapore Telecommunications Ltd., for instance, accounted for as much as 40 percent of Singapore's total market capitalization.

International investors now have many more options. In addition to telecommunications companies, Southeast Asian markets offer an array of

INVESTING

well-capitalized companies ranging from electric utilities to newspaper publishers. The steady growth of local bond markets has also increased the range of available investments.

That is not just bad news for telecommunications companies, which could lose billions of dollars in market value. It also signals that Asian stock markets could extend recent losses because telephone companies often remain the largest stocks in local benchmark indexes.

But just because the immediate outlook is gloomy for telephone stocks does not mean the future of the industry in Asia has darkened, though growth prospects vary by country. The number of phone lines per hundred people, for example, ranges from two in Indonesia, the world's fourth most populous nation, to about 50 per hundred in Singapore. (By contrast, it is more than 60 per hundred in the United States).

Revenue growth rates also differ widely. In Malaysia, the state phone company's sales growth is expected to slow to about 16 percent in 1998 from 22 percent last year, according to UBS Research. Philippine Long Distance Telephone Co., on the other hand, will see revenue growth rise by 14.5 percent in 1998, up from a 13.5 percent increase last year, according to Philippine Asia Equity Securities Inc.

But sharply rising revenues do not mean share prices are headed higher. For example, Telekom Malaysia Bhd., the state-controlled company that once had a monopoly on phone services in Malaysia, must now compete with several cellular-phone companies. Its shares fell 28 percent over the past year, while the benchmark composite index dropped 9.4 percent.

In Thailand, telecommunications stocks have been hit with a double-whammy: the slowest economic growth in a decade and the prospect that two new operators will enter the market before the year's end.

Shares of two mobile-phone operators, United Communication Industry PLC and Advanced Info Service PLC, have fallen as a slowing economy has limited subscriber growth. To attract new users, the companies offered free, or reduced, air time and cut handset prices, thereby squeezing profit margins.

"It doesn't take a genius to figure that one of the first luxuries people will have to give up as the economy slows is a mobile phone," said Timothy Taylor, associate director of UBS Securities Ltd.

In the Philippines, shares of Pilipino Telephone Corp., once the largest cellphone operator, are down 54 percent this year, making it the worst performer in the benchmark index.

PENSION: *Beware of the Plan That Falls Through the Loophole*

Continued from Page 13

ERISA requires companies to keep records for only six years.

John Kovalichik of Holyoke, Massachusetts, worked for 31 years at Adams Pakkawood, a manufacturer there, and for its corporate predecessors. But when the company folded in 1991, he could not find out where to go to start collecting his pension.

He and other workers eventually called on the Pension Assistance Project at the University of Massachusetts Boston Gerontology Institute, which runs a clinic to help people collect their pensions.

Jack Pizer, an institute employee who counsels people about their pension problems, said that in the Adams Pakkawood case, "it took nine months, but we finally learned that the pension plan was terminated and the money was used to buy annuities" at the Metropolitan Life Insurance Co.

William Rhatigan, a Met Life vice president, said the problems began when Adams Pakkawood closed before all the annuities paperwork was finished. He also said that when the company sold off its equipment, it sold the file cabinets containing the pension records. The Adams Pakkawood retirees are now receiving payments.

Another common difficulty occurs when a company refuses to respond to requests to begin payments or miscalculates the benefits when it does pay. The law makes it a wrongful act to pay either less or more than the pension plan specifies, but plans are so complicated that mistakes and disagreements can easily arise about what the proper amount is.

In recent years, the Labor Department's Pension and Welfare Benefits Administration and the government-owned Pension Benefit Guaranty Corp. have received a small but growing number of complaints about shortchanging, especially in lump-sum settlements.

Two years ago, Piggly Wiggly Southern Inc. paid $1 million to retirees of its Alabama supermarkets whom it had shortchanged by using an improper interest rate. But the company paid only after losing a lawsuit.

In March, TRW, the military contractor, was found by a federal judge in Cleveland to have underpaid more than 5,000 employees by as much as $40 million in pension money by using improper interest rate calculations. TRW is appealing.

But pursuing claims for ERISA-protected pensions can be burdensome. The courts have held that lawyers' fees generally cannot be awarded unless there has been willful misconduct by the pension plan, a high hurdle to surmount.

And although it can be hard to receive pension payments when you think they are due, it is a lot tougher when you do not even know you are entitled to anything.

According to Norman Stein, a law professor at the University of California at Davis who specializes in retirement law, some employers create pension plans but do not tell their workers, as the law requires.

GERMANY: *'Creative Accounting' to Meet Criteria Has Its Price*

Continued from Page 13

out on fiscal rectitude as a reason to delay Italian entry.

But some analysts said the German action would bolster the case for Italy entering after the start of the union, but before adoption of the euro two years later.

Keeping the entry criteria intact will keep Italy out at the start, Mr. Llewellyn said.

The biggest loser in the unexpected raid on the Bundesbank's reserves, analysts agreed, was the German government.

"The timing of the announcement, twinned with news of an 18 billion DM shortfall in the budget, is a public-relations disaster," said Hans-Juergen Meltzer of Deutsche Bank.

Thomas Mayer, formerly an economist at the Bundesbank and now an economist at Goldman Sachs in Frankfurt, said the government's maneuver was a "clear political statement" that monetary union would proceed as planned. But, he added, "it would have been much smarter to separate the revaluation of the Bundesbank's assets from the decision on how to solve the government's fiscal problems."

Germany, Austria and Sweden are the only EU countries whose official reserves — gold and foreign exchange — are valued at historic levels rather than at market prices. Germany's gold is valued at an average price of 144 DM ($85) per ounce compared with a current market value of about 590 DM. Its dollar holdings are valued at 1.3600 DM compared with a market value of 1.6931 DM.

The European Monetary Institute, forerunner of the European Central Bank, requires that all participants of the future central bank value reserves uniformly at near market values. Such revaluation would raise the Bundesbank's assets by about 60 billion DM.

It is still unclear how much of this purely bookkeeping "profit" the government covets. But it appears that just as the government annually uses the central bank as a profit center, incorporating profits transferred from the Bundesbank to reduce the federal budget deficit, so it intends to use part of this windfall bookkeeping profit.

This transfer of wealth accumulated over many years will be used to pay off some of the debt incurred after the unification of West and East Germany. This will bring debt, now looming at 62 percent of GDP, down to within target.

It is unclear how this will affect the budget deficit, although with debt paid off, funds previously allocated for interest payments will be freed for other uses.

In fact, analysts are indifferent about the technicalities. What irks the experts is the arbitrariness and rigidity of the criteria to qualify for membership in the monetary union and the resulting economic hardship as governments seek to conform.

"There is no economic logic to the criteria," said Charles Wyplosz, a leading academic expert on monetary affairs.

"The less respect paid to these artificially imposed hurdles, the better off we would be. The last three years of slow growth and rising unemployment in Europe attests to this."

Mr. Mayer agreed that "the convergence criteria have lost their economic meaning" because conditions today bear little resemblance to 1991 when the criteria were embedded in the treaty that established the monetary union.

"Politicians have decided it's extremely important to maintain these symbols of convergence, even if they don't have much meaning," he said.

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The **General Authority for Roads, Bridges and Land Transport (GARBLT),** Ministry of Transport and Communications, 105 Kasr El Aini Street, Cairo, invites both Egyptian and foreign investors to participate in an

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SHORT COVER

China to Tighten Watch on Brokers

SHANGHAI (Bloomberg) — China said Sunday it would step up supervision of the country's financial institutions and brokerages amid a crackdown on the securities industry, which foreigners said was riddled with corruption.

The State Administration for Industry and Commerce is seeking to strengthen rules covering brokers. Authorities have drafted a law standardizing brokerage rules that will be examined by the National People's Congress, the official China Daily reported.

The government also plans this year to present "complete" rules for the supervision of financial institutions, as well as regulations on internal controls, the China Daily said in a separate report.

U.S. Regulators Warn Fund Firms

WASHINGTON (NYT) — The Securities and Exchange Commission is warning fund companies to be more cautious about marketing new funds by using the past performances of portfolio managers or the records of similar funds.

Barry Barbash, director of the SEC's mutual fund division, told a fund industry gathering Friday that the commission had been inundated with requests to use past performance in this way. But many of the requests "suggest that the industry is reading our rulings more broadly than we anticipated," Mr. Barbash said, possibly misleading investors and causing the SEC to re-examine guidelines it adopted last year.

Bonn to Examine VEBA Purchase

FRANKFURT (Bloomberg) — The Economics Ministry said Sunday it would monitor VEBA AG's decision to take a stake in Berlin's electricity utility, Bewag amid concern the sale would give VEBA a near-monopoly in the Berlin power market.

VEBA, VIAG AG and Southern Co. of the United States agreed last week to pay 2.9 billion Deutsche marks ($1.71 billion) for a 50.8 percent stake in Bewag, which is owned by the city-state of Berlin.

Cargill Closes Taiwan Pork Plant

TAIPEI (Bridge News) — Cargill Inc. has closed its pork-processing plant in suburban Kaohsiung, executives of the U.S. company said Saturday.

Cargill had exported most of the plant's output to Japan, which banned Taiwanese pork March 20 because of an outbreak of foot-and-mouth disease in Taiwan.

Once the Taiwan plant disposes of inventory this month, Cargill will withdraw from all pork processing in the region, a Cargill executive said.

The company has started exporting pork from the United States to Japan but will need new investment and time to produce pork that caters to Japanese consumers' tastes, the executive said.

Phillips in Joint Venture in Qatar

DOHA, Qatar (Bloomberg) — Phillips Petroleum Co. of the United States and the state-owned Qatar General Petroleum Corp. agreed Sunday to spend $750 million to set up a petrochemical plant in the Persian Gulf emirate.

Philips will have a 49 percent stake in the joint venture polyethylene plant, which will be built in Mesaieed Industrial Area outside the capital, Doha.

The project is expected to be completed in 2000.

Thailand to Set Up Fund To Bolster Stock Market

Bloomberg News

BANGKOK — Thailand's commercial banks plan to set up a fund worth 50 billion baht ($1.97 billion) to bolster the country's stock market, the world's worst performing in the past 18 months, Finance Minister Amnuay Viravan has said.

The government will also cut next year's budget by at least 2.4 percent, to 982 billion baht, to help narrow Thailand's trade and current-account deficits, Mr. Amnuay said Saturday after a meeting with Prime Minister Chaovalit Yongchaiyut.

Government officials are scrambling to revive investor confidence, which took a fresh hit this week as foreign-exchange traders assaulted the baht, driving it at one point to an 11-year low. The attacks were repelled after intervention by several Southeast Asian central banks.

On Friday, the dollar rose to 25.85 baht from 25.40 baht Thursday.

Mr. Amnuay said the equity support fund was agreed to by representatives from most of the country's 15 commercial banks late Friday.

The benchmark Stock Exchange of Thailand index has plunged 56 percent since the beginning of 1996. Share prices have tumbled as Thailand's economy slowed to its lowest growth rate in a decade. Most forecasts are for growth of less than 5 percent this year.

Last week, the SET Index plunged 7.3 percent, to 561.19, as foreign hedge funds attacked the baht to force a devaluation of the Thai currency. The index is now close to a seven-year low.

To protect the baht, the Bank of Thailand, the central bank, spent billions of dollars of foreign reserves. It got assistance from central banks throughout Asia, including those of Singapore and Malaysia.

Most analysts think lending rates need to fall 3 percentage points to get the economy back on track.

In this Tuesday's

Style

Insect Mania!



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International Herald Tribune
THE WORLD'S DAILY NEWSPAPER

The European Index Conference 1997

The Euro & The Exchanges: Implications for Multinationals and Financial Markets

The Grand Hotel, Amsterdam, June 20

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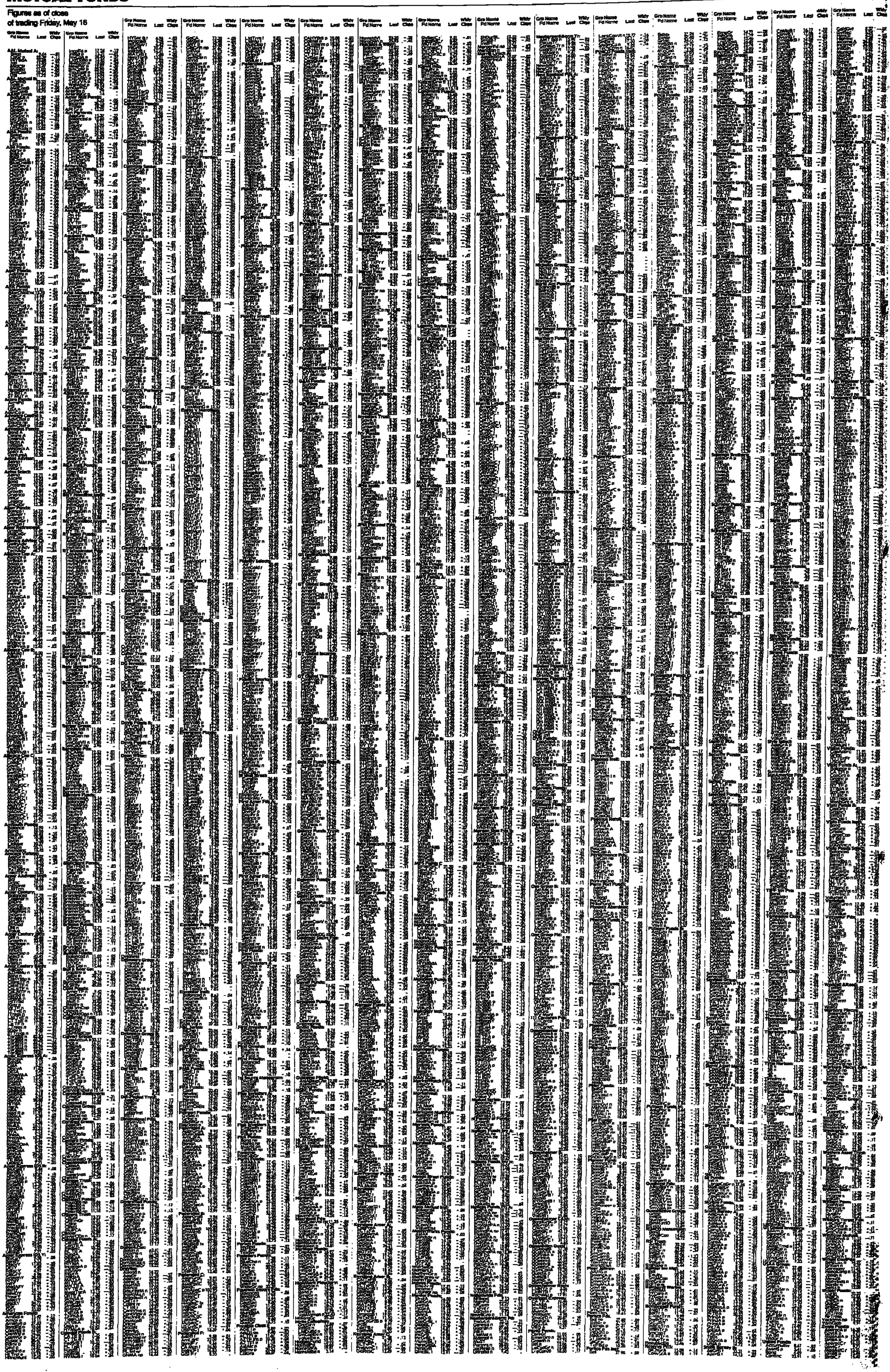
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The Netherlander

Continued on Page 17

MUTUAL FUNDS

Figures as of close of trading Friday, May 16

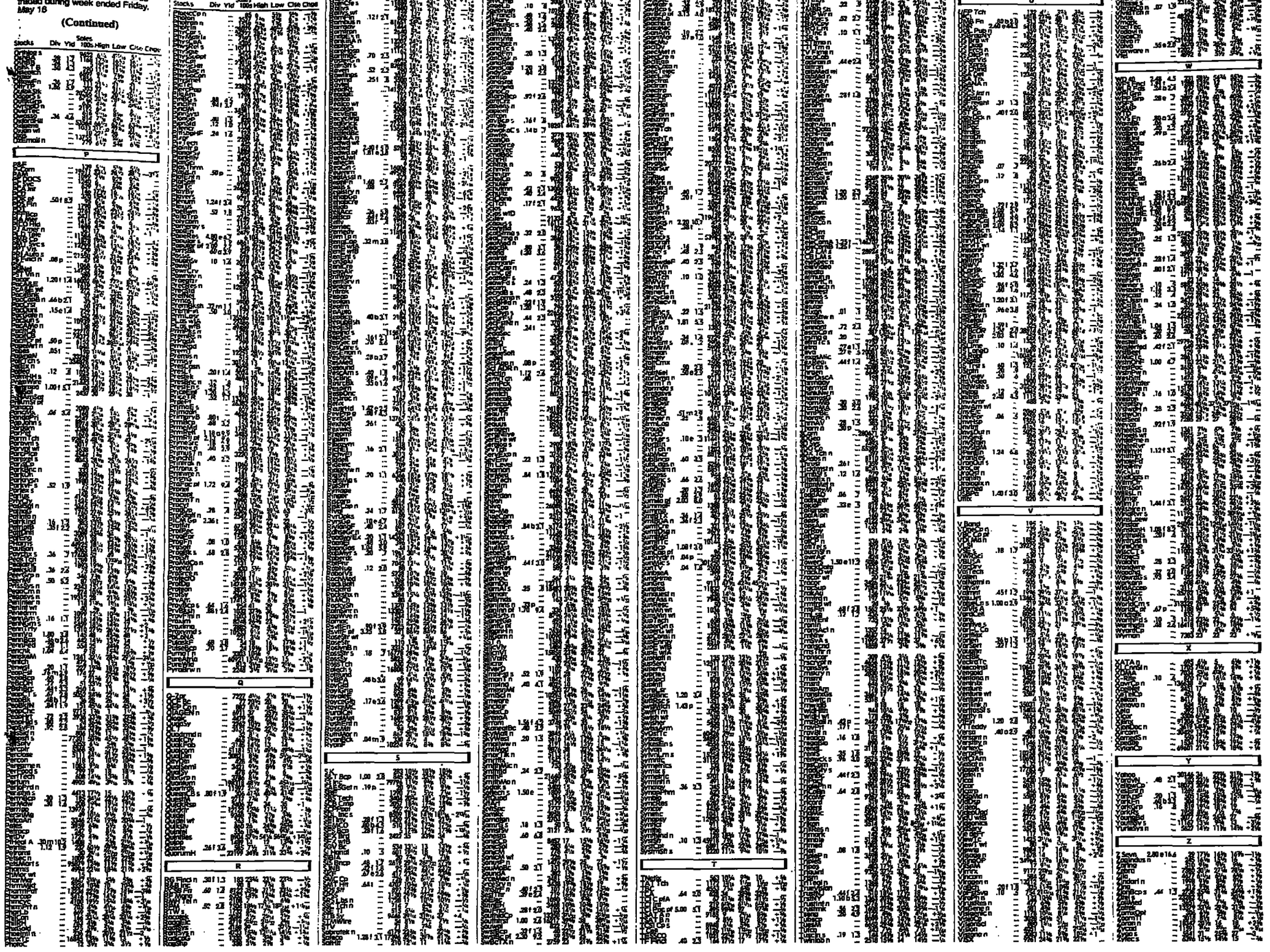


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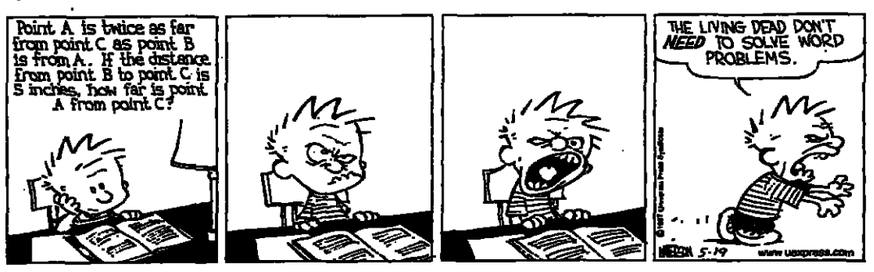
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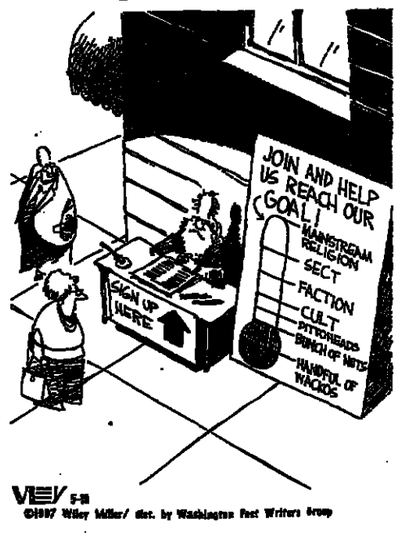
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INTERNATIONAL BUSINESS EDUCATION

GLOBALIZATION: HERE TO STAY

Many schools now require students to take international courses.

Both U.S. and European business schools are placing more emphasis on international business. Many are establishing new programs to address the subject.

The popularity of the MBA degree may be increasing in Europe, but in the United States, the phenomenal growth of the last decade has slowed down.

To increase the pool of eligible students, American schools have had to broaden their curricula to encompass the needs of non-U.S. students.

At the same time, they have had to respond to growing competition from their European counterparts, which emphasize international business as a matter of course.

Supply and demand

Meanwhile, companies are also demanding that business schools prepare students for a global marketplace.

"There isn't a company that isn't looking toward an international market, so every school has to have some [international] courses," says Dick Kwartler, publisher of the MBA Newsletter.

Reflecting the internationalization of business education, the former American Association of Collegiate Schools of Business has changed its name to the AACSB-International Association of Management Education. The organization just admitted its first European member, the French business school ESSEC.

In Europe, meanwhile, the European Foundation for Management Development, headquartered in Brussels, has backed away from its former denial of pan-European accreditation and is launching just such a program because of the new emphasis on globalization.

The European schools "are faced with the increasing need to market themselves globally," says Mr. Kwartler.

New requirements

In the United States, the Fuqua School at Duke University, for example, has integrated international course requirements — at least two courses — for all students; 21 percent of Fuqua's MBA students are from overseas.

What makes a program truly international are a pan-national curriculum, a faculty with overseas experience or education, and a diverse student body drawn from several countries and who have studied abroad

Katie Joyce, the assistant director of international programs, expects that percentage to increase to one-quarter by the next year.

"There's a big push to internationalize the faculty," she says. "Students are intensely interested in internationalization."

The buddy program

The Fuqua School's International Business Club brings in speakers and organizes other activities, and a buddy program ties students to similar overseas programs. Students can take short-term courses in various places around the world, and there are 20 international exchange programs — all for the normal-track, full-time MBA student.

For those particularly interested in global business, Fuqua also offers a Global Executive MBA.

Called the GEMBA, the program features distance learning via the Internet mixed with weeks spent either at the home campus in North Carolina or at a foreign site.

Undergraduate trends

This trend holds true for undergraduate and even continuing education courses.

At the University of California at Riverside, international executives receive a certificate after a few weeks of study.

George Mason University, located near Washington, D.C., offers a master of arts degree in International Transactions.

The interdisciplinary program focuses on international trade and investment, economics, law, technology and culture.

"It caters to people not into an MBA but who want practical knowledge of how trades are carried out," says Jay Sennett, a George Mason spokesperson.

The school relies heavily on an adjunct faculty of businesspeople and government officials who are active in various professions — "hands-on professors," as Mr. Sennett calls them.

The factors

What makes a program truly international are a pan-national curriculum, a faculty with overseas experience or education, and a diverse student body drawn from several countries and who have studied abroad.

Most U.S. and European business schools are eagerly recruiting beyond their borders in order to diversify their student body.

Like other schools, the American Business School in London is "recruiting all around the world," says Jarlath Dillon, dean of international affairs.

The school's International MBA Program is offered in conjunction with Temple University in Philadelphia. Students study there, as well as in Japan, giving them first-hand knowledge of business in the three main areas of the global marketplace: North America, Western Europe and the Pacific Rim.

Percentages up

Many European schools have high proportions of foreign students.

The student body at the Institute Supérieure du Gestion (ISG) in Paris represents 50 different nationalities. Students in the International MBA program spend 14 months in Paris, New York, Tokyo or other cities.

"We totally believe in having students who are international-minded and are, or intend to become, citizens of the world," says Dean Nazila Leroy.

The European Business School in London emphasizes cross-cultural business education and draws students from over 70 countries.

In the United States, George Washington University tops the list of international attendance, with 67 percent in the most recent class from 35 different countries.

Fuqua's 21 percent is more representative; at DePaul University's Kellstadt Graduate School of Business, one-third of students studying international business are from overseas.

Skills to take home

These students may be interested in U.S. business methods and attracted to the quality of education there, but they also want to learn skills that they can apply when they graduate and head back home.

Most students in international programs tend to be more focused because they are older and either have had extensive work experience or are currently employed in multinational companies.

At the European Institute of Business Administration (INSEAD) in France, the average age is 28 and average work experience three to five years, with 30 percent of students coming from major consulting firms.

Hotels and more

The march toward the global economy and international student bodies is being felt in other disciplines as well.

At the Hotel and Tourism School (HOSTA) in Switzerland, students from 40 countries receive the equivalent of a U.S. associate degree. Founded in 1959 as a German-speaking program, in the early 1980s, the school switched to English — almost universally accepted as the lingua franca of international business programs — and became more international in scope.

"The hotel trade is the epitome of international business," says Thomas Sobocinski, director of the school.

"It's a phenomenon: Internationally minded people have more in common with each other than with people in their own countries who may not have such common interests."

Steve Weinstein



There is no going back to a one-country market — and business schools are revising their programs accordingly.

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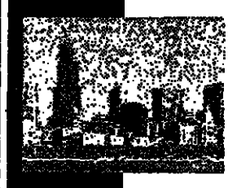
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INTERNATIONAL BUSINESS EDUCATION

PRESENTATION SKILLS ARE THE KEY TO SUCCESS

Even seasoned speakers have something to learn.

An American woman making a business presentation to a group of German male colleagues began in a casual, lighthearted style. Several of the men snorted, stood up and headed for the door, declaring her presentation a waste of time. She spoke loudly and sharply, telling them to sit down and be quiet. They did, and she switched to an assertive, formal tone without any of her "fun" techniques. The Germans paid attention.

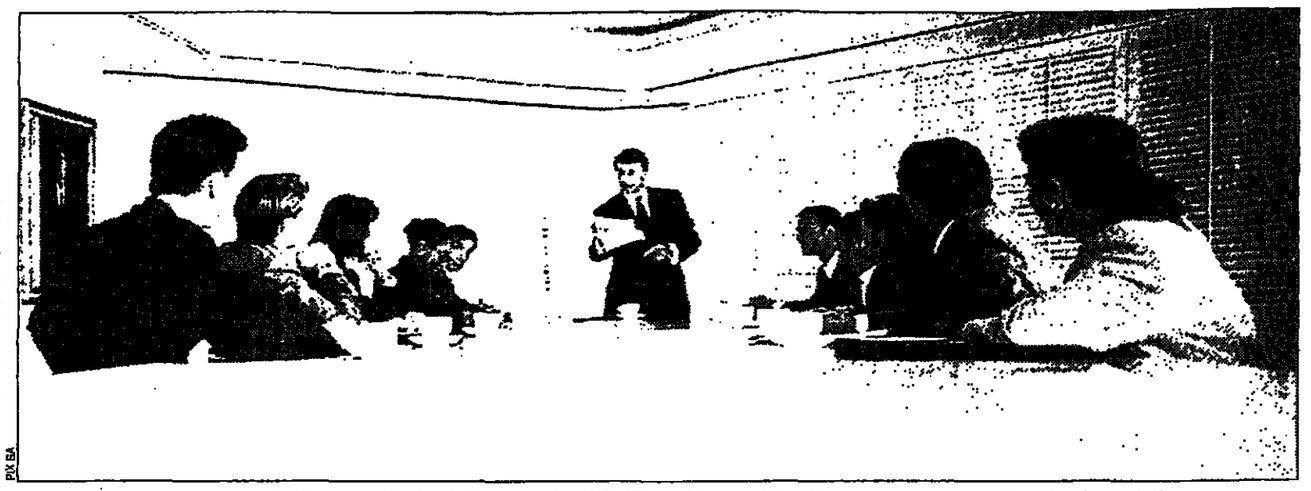
After members of a Malaysian sales and marketing team presented quarterly results to representatives from their American headquarters, the Americans complained that the presentations were meandering and vague. The complaints stopped when the Malaysians made their presentations more direct and bottom-line-oriented and delivered them in a more assertive, confident manner.

Room for improvement

Both real-life anecdotes are the result of presentation skills training, one of the most popular branches of continuing education in business. At virtually all levels, managers are realizing that they need to improve their ability to make personal presentations, whether to small groups or large audiences. It not only gets their message across, but also helps to advance their careers.

Rae Gorin Cook, president of Gorin Communications, Inc. in Wilmington, Delaware, is the professional presentation skills trainer who supplied both of the above examples. Ms. Cook, who charges $600 for half-day and $1,200 for full-day one-on-one presentation training, says the old-fashioned way of presenting — standing up and giving a lengthy, informative speech — often falters in the international arena.

"Doing business internationally requires concise, to-the-point yet diplomatic communications due to the lack of time to build relationships and sell ideas," she says. "Also, international executives have to discipline themselves to listen completely and to ask questions."



PIX BA

More and more executives recognize the need to develop their presentation skills. The goal is not just to get their message across, but also to advance their careers.

This is particularly important when not everyone in the room has the same native language.

A surprising number of executives are hindered by "nice" (too much) and "concise" (not enough) problems, Ms. Cook says. They need to be taught how to interrupt, how to gain and hold the room's attention and how to make their points aggressively and effectively.

"Niceness problems occur when nice people are shocked to see how aggressive top-level communications and team communications are, and when they can't cope with aggressive peers," she says.

"Conciseness is a common problem for the baby boomers who were raised on a grade-school presentation model of introduction, body and conclusion — and the more you say, the better. In the new business environment with the younger generation, there is no patience for this slow, gradual building to the point. Now: Make the point first, prove it concisely and make recommendations."

Three suggestions

Ms. Cook says middle and upper-middle managers raise their profiles as potential candidates for senior management by improving their presentation skills in three ways:

- Editing what they say, and saying only what is necessary.
- Showing themselves trustworthy, so they can hold their ground when senior managers challenge their position.
- Interpreting information and making a recommendation, rather than laying out the facts and leaving it to the bosses to decide.

The right training

Ms. Cook says one difficulty for people seeking to polish up their presentation skills is finding the right training. She says there are "tens of thousands" of people who declare themselves to be experts in presentation training, from battle-hardened international executives to speech professors and out-of-work actors with little experience in the business world.

"Many trainers claim skill in presentation coaching, and off-the-shelf programs can make everyone an expert, especially inside large companies," she says.

She adds that people looking for presentation training should shop around for a program and a trainer to match their needs. They should examine the training materials, talk to the trainer about what the course can do for their specific situation and get references beyond word-of-mouth from friends and colleagues.

Starting in school

Presentation skills are also becoming part of the established business-school curriculum.

For students at Warwick Business School in England, "Communication skills are an integral part of the 12-month course," says Bill Manuel, director of the Full-time MBA program.

In addition to two week-long modules with external facilitators dedicated exclusively to such skills, students give regular presentations on project work carried out in small syndicate groups. These are graded on content, professionalism and quality of the presentation techniques used.

Beware of hubris

Warren Wint, senior partner at the Total Success training consultancy in London, says that good preparation is critical even for accomplished speakers: 10 to 15 minutes of prepping is needed for every minute of a presentation. He says that some people emerge from training thinking they are "perfect" presenters; in truth, the training is merely a base on which they need to keep building skills.

"The worst presentations are made by people who assume they already have the talent to be a great speaker," says Mr. Wint. "They do a minimum of work during the training and then end up with nothing to say after two minutes."

Tim Harper

NEW PROGRAMS CATER TO GLOBAL MARKET

More schools are going international, anticipating trends and responding to them.

When a would-be benefactor offered $31 million to build a business school from scratch at Oxford University, he thought his gift would make him a hero. Instead, he had to fight off criticism from faculty and the media. What made Oxford look this gift horse in the mouth?

According to Dick Kwartler, publisher of the MBA Newsletter, the man expected to have more decision-making power than the university was willing to cede. Other people maintained that the Oxford dons did not approve of the man's profession, or indeed of business schools in general.

Whatever the reasons, the controversy has not scared away benefactors from other business schools. Many U.S. schools are named after donors, such as Kellstadt at DePaul, Wharton at the University of Pennsylvania, Stern at New York University and Fuqua at Duke University.

Largesse

The Technion-Israel Institute of Technology is the recipient of largesse from its American Society, which has raised more than $400 million for Technion, a scientific and technological university in Haifa, Israel.

Included in that is a promise of $30 million to start a business school dedicated to the management of technology-based companies.

International MBA and other business programs are proliferating, even though many business students still focus on the local market.

"A lot of international programs are not faring as well as they should because of the economy," says Jarlath Dillon of the American Business School. "When the economy starts a downturn, you revert to your own culture." This has not stopped schools from starting new international programs, which may well flourish in the long term.

Tailor-made

The biggest growth is occurring in programs tailored to specific companies or geographic areas. The Kellstadt School has begun a new program in Hong Kong, both in response to requests from businesses there and to anticipate managers' needs.

Business schools are also finding innovative ways to establish new and unique programs.

The Fuqua School's global MBA programs began last year in response to corporate leaders who wanted the university to employ Internet technology.

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INTERNATIONAL BUSINESS EDUCATION

ASIA PUSHES HOMEGROWN EDUCATION

Governments are encouraging students to study in their home country.

Long accustomed to paying for students to go abroad for business and technical training, Asian countries are now making a major push to provide training and keep professionals at home.

Malaysia is revamping tertiary education with the implementation of the "21st Century" education bill, passed in December 1995. The government aims to build a society based on sound moral values whose members are fluent in several languages as well as computer literate. The project will also contribute to Malaysia's endeavor to become a regional education hub and keep at home some of the 2 billion ringitt ($798 million) that 70,000 Malaysians students spend annually to attend universities abroad.

Malaysia also wants to attract more foreign students to its colleges and universities as a means of reversing the foreign exchange flow.

The 21st Century bill allows Malaysian universities to function like corporate bodies, with the power to borrow money, enter into business joint ventures, invest and cooperate in commercial undertakings. They will continue to be operated by the government even after this "corporatization."

Financial planning

Corporatization has raised fears that disadvantaged students may not be able to afford a university education in Malaysia. But authorities are quick to reassure students that they will not be forced to abandon their studies owing to financial hardship, and the government has pledged whatever assistance is necessary to help needy students. The administration of the Universiti Malaya (UM) — the first institution to be corporatized — has promised that there will be no sharp fee increases, at least during the first few years after implementation.

In the longer term, the government is hoping to institute a "National Education Fund," which will help students to begin saving for their tertiary education while they are still in high school.

The Malaysian government has also opened tertiary education to the private sector. The government has made it clear, however, that only premier foreign universities — with good financial backgrounds and infrastructure and expertise in science and technology — can establish branch campuses in Malaysia.

The first such institution is Australia's University of New South Wales, which will, according to vice chancellor John Niland, "ultimately teach full UNSW degrees in Malaysia." Courses are scheduled to start this fall. Some 15,000 Malaysians have attended UNSW in Australia, and it is hoped that the sons and daughters of these alumni will attend the Malaysian campus.

Meanwhile, local company Lityan Holdings and Australia's Korator/Image World have formed a joint venture to offer distance learning courses accredited by the University of Technology in Sydney. This branch campus expects an intake of about 300 students working toward qualifications in information technology and engineering.

In another move, the Malaysian government has launched a Balik Kampung (return home) program to persuade Malaysians involved in cutting-edge technology abroad to impart their knowledge to their fellow citizens. Realizing that the present lack of technological infrastructure could be a hindrance to this possibility, the government says it will make every effort to supply the specialists with the necessary technology.

Raising standards

Singapore has also realized that high-quality homegrown education is needed to sustain business growth and foster an influx of global companies.

Deputy Prime Minister Tony Tan recently announced a wide-ranging action plan to make the republic's two universities — the National University of Singapore and Nanyang Technological University — into world-class institutions. The plan includes expanding postgraduate educational and research facilities, providing more tertiary education possibilities and revising the undergraduate curricula to include more analytical skills and creativity.

Foreign students will also play a larger role in Singapore's university life. Prime Minister Goh Chok Tong recently declared that Singapore is too small to produce the 20,000 to 30,000 top graduates expected from a world-class university. To offset this shortfall, foreign students should comprise about 20 percent of total university intake.

Mr. Goh thinks that while most foreign students will come from the Southeast Asian region, Singapore institutions should also seek bright students from Europe, the United States, Australia and Japan if they really want to be on a par with universities like Harvard or the Massachusetts Institute of Technology.



R. IAN LLOYD

Singapore hails its students.

The government has earmarked 800 million Singaporean dollars ($553 million) to enlarge and upgrade the campuses of the two universities. Telling the institutions that they should also tap their alumni and other funding sources, the government will also contribute 3 Singaporean dollars for every Singaporean dollar raised by university endowment funds.

Alternate methods of financing are also very much in the cards elsewhere in the region.

In India, for example, there is a movement to establish self-financing professional schools of business, computer technology and communications at the University of New Delhi.

Julia Clerk

EUROPEAN SCHOOLS LINK UP

The program was named after the goddess of wisdom — for a good reason.

A trio of universities from France, Spain and Germany came together four years ago in the spirit of European cooperation to create a new breed of exchange program that would accomplish three things: give their curricula international scope, give their students bilingual skills and reinforce commercial links among the regions. Though today the project is still technically an "experiment," if measured by the yardstick of what true European training should be — cultural discovery and linguistic competence — it looks like a success.

Mobile teaching

The program is called MINERVE (Mobilité des Institutions d'Enseignement et de Recherche en Vue d'un Espace Educatif Européen, or Mobile Teaching and Research Institutions for a European Educational Center).

It is mobile because professors are required to sojourn at foreign universities for weeks at a stretch, which gives them time to develop links with researchers and other instructors.

Teacher movers

A big asset of Europe's international education programs has been their ability to move students. MINERVE moves teachers. It offers classes in their fields and in their own languages, but away from home.

The program fosters a new type of relationship, allowing European institutions to develop courses using specialists who tailor their teaching to the needs of foreign curricula.

The concept was born when the Université de Lyon-2 decided to invite other European colleges to its campus. The first two partners were the Universitat de Barcelona and the Goethe Universität in Frankfurt

Building on existing links

Exchanges between the schools already existed: Barcelona is linked to Lyon's Rhône-Alpes province by a regional cooperation pact, and Frankfurt is Lyon's twin city.

The project obtained European Commission funding, plus local cash from each region and the Université de Lyon-2.

A 15 million franc ($2.6 million), 1,000 square meter (1,195 square yard) building was specially designed and constructed on the French campus, where each participating school has space. Operating costs for the program are another 2 million French francs yearly.

Plans to travel

Thanks to this exchange, unique in Europe, a common teaching and research community has been established in Lyon. The plan is to have it circulate, so that its pedagogical, multilingual family can meet regularly in the three cities.

MINERVE is probably the nearest thing to an authentic European school. Professors from Frankfurt and Barcelona teach in their languages in Lyon's *licence* (bachelor's degree) and *maitrise* (master's) programs.

And the institutions have created two new diplomas: Lyon students can study law with specialties in German or Catalan law, and a similar program in French law was created for Barcelona.

These degrees are recognized by both institutions. They complement each school's national course, but add another language and culture.

Sector-oriented

At Lyon, students do not follow a year-long bilingual degree program, but take specified two-hour classes during a one-month period.

"This gives them a bilingual competence in certain sectors — that's what we want," says Bruno Gelas, president of Université de Lyon-2. Part of the concept behind MINERVE, Mr. Gelas adds, is to solve a traditional French problem with languages, a difficulty that the other cities share as well.

Enhanced job prospects

The cross-cultural recipe also gives students an advantage in the job market.

"They are hired immediately," Mr. Gelas says.

In all, close to 1,700 students have participated since the program began in 1994. Next year, Barcelona is due to begin work on its own permanent MINERVE facilities.

In June, the European Commission will examine the program's results and look at ways to reproduce the formula elsewhere. The University of Turin might become the fourth partner, and other schools in the Lyon area might also join.

Joshua Jampol

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INTERNATIONAL BUSINESS EDUCATION

INVESTOR RELATIONS IS A THRIVING CAREER PATH

Investor relations — a profession that combines the smooth presentation skills of a public relations officer with the financial grounding of an analyst and the sales skills of a marketing executive — is one of the hottest fields in international financial services.

Headhunters say there is a shortage of good IR people, which is one of the reasons that so many marketing and public-relations executives are taking finance courses and so many number crunchers in the finance department are brushing up their presentation skills.

Louis Thompson, president and CEO of the Washington-based National Investor Relations Institute, says IR is no longer confined to doling out information about a company to existing or potential investors. "It's such a dynamic field," he says, citing changes in methods of valuation, styles of investing, ways of targeting institutional investors, the globalization of markets and the impact of new technology on the investment community.

A recent NIRI survey cited three areas of growing responsibility for IR executives:

- A more active role vis-à-vis Wall Street, including more direct contact with analysts and investors.
- Broader involvement in corporate activities beyond strict IR, including strategic planning and financial analysis.
- Better access to senior management as corporate leadership increasingly recognizes and appreciates the importance of the IR function.

Growing responsibilities

Top managers not only tell IR people what message to deliver to the investment community, but they also ask how their company — and its competitors — are perceived by analysts and investors. An NIRI study found that the number of IR executives regularly making presentations to their boards increased from 52 percent in 1994 to 64 percent last year.

In recent years, heightened financial reporting requirements and the detailed demands of the investment community have made IR more "financial."

"We are just as obligated to put out bad news as we are interested in putting out good news," Mr. Thompson says. An IR executive who leans too far toward public relations loses credibility, he adds.

A recent NIRI study found that 74 of its member IR executives said they had competence in finance, and 69 percent said they had competence in public relations. Six in 10 IR executives report to the chief financial officer of their companies.

"Most people back into it," Mr. Thompson says of IR careers. Many IR executives start in corporate communications and show they understand the financial aspects of the business, or start in finance and show a flair for making presentations. A survey of senior IR people showed that they had business careers averaging 18.5 years, yet they had been in IR for only 6.5 years on average.

New career path

More young professionals are setting their sights on IR early on, sometimes in college, says Mr. Thompson. He cites a handful of graduate schools that are now either offering or moving toward IR programs, either short-term or as part of MBAs, including the University of Michigan, Bentley College and Farleigh Dickinson University.

A 1996 NIRI study found that the average annual compensation among the IR practitioners in the United States in 1995 was $115,000. IR people holding the title of vice president or senior vice president had an average cash compensation of $162,000. Among companies with more than $1.5 billion in market capitalization, the average annual compensation was $136,000. The survey showed that in the typical IR department of a large company, deputies and other juniors earned $100,000 or less, while senior staff typically earned $150,000 to $400,000.

A survey breakout of 48 senior IR executives with large companies, most of them with the title of vice president or senior vice president, found they had annual average incomes of $207,000 in 1995. Their annual budgets were $858,000.

T.H.

MANAGEMENT KNOW-HOW GOES EAST



THE LONDON BUSINESS SCHOOL

Western business schools are developing management programs for Central and Eastern Europe.

When the nations of Central and Eastern Europe started returning to market economies after 1989, Western business schools were soon looking for ways to meet the former socialist countries' needs for management education. The Business Development Centre at Manchester Business School in Britain, for example, offers courses to train managers from Russia. Several of the courses focus on St. Petersburg, with which Manchester has a twinning arrangement. Courses are conducted in cooperation with local partners, including the St. Petersburg City Council.

"We also cooperate with the British Foreign Office's Joint Assistance Unit," says Brian Longworth of Manchester's Business Development Centre, "which manages a special know-how fund to assist development projects in Eastern Europe. Our involvement in this area also helps us provide information on East European business prospects to local businesspeople in the Manchester region."

French business schools are tackling management training for Eastern Europe in a variety of ways. These include establishing courses with local and international institutions, helping train business teachers from Eastern Europe and providing financial assistance to East European students who wish to study in the West.

At the beginning of this year, the Ecole Supérieure de Commerce de Paris launched two programs supported by the European Commission. They aim to train 60 professors at the University of Ferghana in Uzbekistan and to create a business school unit within that university.

In June 1996, students at the Marseille-Provence business school (ESC Marseille-Provence) who belong to the school's "Junior Entreprise" association helped students in Novosibirsk (Russian Federation) to set up a similar association locally.

"They also provided assistance with market research techniques, and we are now looking at similar projects in Poland, Romania and Hungary," says ESC Marseille-Provence Director Jean-Pierre Daloz.

In response to the growing importance of this region, Groupe HEC near Paris last year created a special center for Central and Eastern Europe to coordinate all initiatives in this area. The efforts include courses established jointly with the London Business School and the Norwegian School of Business.

"We have been cooperating with European Union authorities on projects involving knowledge transfer to East European countries such as the Slovak Republic," says Kai Peeters at the Rotterdam School of Management in the Netherlands. "These are essentially quality initiatives aimed at helping local universities to develop their own skills in their regional context. For instance, we bring East European academics over to our school in the Netherlands for week-long periods. We believe this is preferable to shipping out Western teachers without specialist knowledge of local conditions."

The Barcelona-based IESE provides another example. "We have created a European Network of Management schools that links Central and East European management institutions, and we also run an international faculty development program for professors of management coming from that region," says María de la Puerta, manager for Central and Eastern European Programs at IESE. "We welcome 20 or 30 teachers each year, and the program covers four tracks: design of courses, research methodologies, teaching methods and case writing.

"Participants also have to prepare a project aimed at helping them to transfer what they have learned to their home countries in areas such as writing case studies, where knowledge is transferred to local corporate experience and establishing new courses and institutions," says Ms. de la Puerta.

Michael Rowe

ON-SITE EXECUTIVE TRAINING COURSES

While the Web offers a great deal of information, face-to-face contact is sometimes irreplaceable.

Many of the world's universities, textbook publishers and management training institutes are offering one of their premium products free of charge. It only takes one good search engine for desk-bound managers to download information on "detailing of the differences in environmental accountability regulations in the United States and Europe" or "assuring enterprise-wide quality in the no-borders company" and thousands of other hot topics in international business education.

The Web is not enough

With all this information available on their PC monitors, why are more and more managers traveling overseas to attend business education courses? These courses are often very expensive — around $1,000 a day — and take the managers away from their daily responsibilities for weeks and even months.

While the Web provides managers with all the information, overviews and case studies they could ever require, it cannot inculcate one key item: a true understanding of the mentality of other cultures. "'Mentality courses' are in strong demand. They acquaint managers with the mores, business practices and linguistic niceties of the countries to which they will be posted," said a recent article in Handelsblatt, the German business daily.

Case studies

Lufthansa provides its executive echelons with "Cross-cultural Awareness, Skills Action" workshops. These inculcate awareness of the value systems and social structures of the countries in which Lufthansa's partner airlines are based.

The objective of these workshops, says a Lufthansa spokesperson, is to make its managers "interculturally competent."

Hoechst is taking matters one step further, building its entire management skills program around a cross-cultural approach.

Skills across cultures

As Wolfgang Berka, the company's head of executive development, explains, "Our young managers are free to put together their individual courses of study. They do so by selecting among the various 'expertise modules' staged in the many countries in which Hoechst is active. This provides them with both the skills and cross-cultural experience requisite to working for a truly international company."

Not surprisingly, the demand for mentality courses centers on "Asia training," as the international business education sector likes to call it. This instruction is provided by a large and growing number of institutes. They are offshoots of independent institutes of management education and information, of the business administration departments of major European universities and of such international chambers of commerce as JETRO (Japanese Export Trade Organization).

The forerunner of them all is INSEAD's Europe-Asia Institute, now in its 15th year.

Changing mindsets

Another mentality course provider is the International Masters Programme in Management (IMPM). To change the mindsets of its participating managers, this venture undertaken by leading business schools in Britain, Canada, France, India and Japan has sent the managers to sojourn in villages in India and in post-earthquake Kobe.

The managers work for a broad spectrum of international companies, including Matsushita, Motorola and the Royal Bank of Canada.

In addition to the above-mentioned "field trips," the courses have sessions in which managers exchange ideas on the experiences that formed them as professionals.

Terry Swartzberg

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SPORTS



Roberto Borea/The Associated Press

Gary Stevens urging Silver Charm, center, between Captain Bodgit, left, and Free House to win the Preakness.

One Race to Go for Triple Crown

Silver Charm Wins the Preakness in a Photo Finish

By Andrew Beyer
Washington Post Service

BALTIMORE — When Silver Charm held off Captain Bodgit's late charge to win the Kentucky Derby, the losing jockey, Alex Solis, speculated, "This could be *another rivalry like Affirmed* and Alydar — but hopefully with me winning."

After Silver Charm won a head-bobbing, three-horse photo finish Saturday in the Preakness Stakes, the parallels to 1978 seemed even more apt. Not only have these battles been thrilling, but Silver Charm possesses the very qualities that made Affirmed the most recent winner of the Triple Crown.

Silver Charm has the same indomitable spirit. But even more important, he has the same versatility — a combination of high speed with the ability to sit and make his move whenever his jockey asks.

The instructions of the horse's trainer, Bob Baffert, to the jockey Gary Stevens on Saturday were, simply: "Just *push the button today.*"

Silver Charm didn't run the best race in the Preakness, but his versatility — plus a little luck — got him to the wire first.

TRIPLE CROWN WINNERS

- 1919—SIR BARTON
- 1930—GALLANT FOX
- 1935—OMAHA
- 1937—WAR ADMIRAL
- 1941—WHIRLAWAY
- 1943—COUNT FLEET
- 1946—ASSAULT
- 1948—CITATION
- 1973—SECRETARIAT
- 1977—SEATTLE SLEW
- 1978—AFFIRMED

By late Saturday afternoon, everyone connected with this race knew that Captain Bodgit, the favorite, had the deck stacked against him. The Pimlico racing strip, which has been fair and unbiased throughout the spring, favored speed Saturday. Front-runners dominated most of the races.

When Solis and Captain Bodgit's trainer, Gary Capuano, saw this evidence, they knew their horse was in big trouble. And there was nothing they could do about it, for the Captain is a one-dimensional stretch runner.

Stevens and Kent Desormeaux, the rider of Free House, recognized the bias, *and both had horses with* speed to take advantage of it. When the gate opened, they came out aggressively and took positions behind the pacesetter, Cryp Too, who was destined to tire quickly.

Desormeaux, a former Marylander with plenty of experience on speed-favoring Pimlico strips, urged Free House to duel with the front-runner. As he made his move, Stevens moved too, and he *was worried that* he wasn't going to be able to make up ground on the leader.

"The track was favoring front-runners all day long," Stevens said. Meanwhile, Solis and Captain Bodgit were running eighth, out of 10, on the turn — a hopeless position.

Despite these highly disadvantageous conditions, Captain Bodgit came flying down the middle of the track. As in the Kentucky Derby, he veered inward for a step or two and lost some momentum. But he was gaining on Silver Charm and Free House with every stride. The finish was so close that fans at the track clustered around every television set to watch the slow-motion replay and try to discern which colt's head had bobbed on the finish *line at the right time.*

Silver Charm not only made his own breaks, but the gods of racing also bestowed good fortune on him. Not only might Captain Bodgit have beat him on an even track, but Touch Gold should have beaten everybody.

The colt from California came into the Preakness without the experience or conditioning of his rivals. He had raced only twice as a 3-year-old, *but his performance* was phenomenal. When the gate opened, Touch Gold stumbled so badly that his nose hit the ground.

Instead of being in contention early, he was dead last. He rushed into contention on the back stretch and got caught in traffic between horses. Then Chris McCarron took him to the rail in the stretch, trying to move inside Free House, and was slightly squeezed. With so much trouble, he shouldn't have finished close to the three top horses from the Kentucky Derby. Yet he missed winning the Preakness by less than two lengths.

His presence will add even *more intrigue to the final leg of* the Triple Crown. People who appreciated Touch Gold's performance will bet him with gusto June 7 at Belmont Park. Captain Bodgit's loyalists will believe that the longer distance of the Belmont will at last give him the opportunity to overtake his tormentor.

Chelsea Celebrates Cup Victory

Reuters

LONDON — Tens of thousands of singing and chanting fans thronged the streets of southwest London on Sunday to watch Chelsea bring the English F.A. Cup to its Stamford Bridge ground for only the second time.

The police closed streets and an underground station as fans cheered the team's open-topped bus along fashionable King's Road to the ground at the less prosperous end of the Fulham Road.

Chelsea, which included only four Englishmen in its team along with two Italians, a Romanian, a Norwegian, a Scot, a Welshman and a Frenchman, beat Middlesbrough, 2-0, on Saturday to lift the trophy.

Ruud Gullit became the first foreign manager to win the F.A. Cup.

Italian midfielder Roberto Di Matteo *scored the fastest goal in an* F.A. Cup final this century when he hammered a shot past the Middlesbrough goalkeeper Ben Roberts in 43 seconds.

Mark Hughes, the Welsh striker, picked up a record fourth winner's medal. He collected three with Manchester United.

Eddie Newton, who scored Chelsea's second goal, *said the victory* canceled out the memory of losing the 1994 final to Manchester United, 4-0.

Di Matteo's goal was not the quickest in Cup final history. That was scored in 1895 when Aston Villa took the lead within 40 seconds of the kickoff against West Bromwich Albion at the old Crystal Palace in south London. It was the only goal of the match.

Although there is no precise time for *the goal, all surviving evidence places it* between 30 and 40 seconds after the kickoff. It is also unclear who scored that goal; it has been credited to both inside forward Bob Chatt and center forward John Devey.

While Chelsea celebrated, its beaten opponent Middlesbrough was recovering from its latest trauma. The club has finished the season demoted from the Premier League and as losing finalists in England's two cup competitions.

Middlesbrough faces the dispersal of its foreign legion. Juninho, Emerson and Fabrizio Ravanelli head the departure list.

Juninho who has been both consistently brilliant and committed to his team, has already said he would be happy to move to Manchester United which is seeking a replacement for Eric Cantona.

Ravanelli, who limped off after 22 minutes on Saturday, appears likely to return to Italy although Liverpool is reported to be interested.

Emerson, a disappointment in recent weeks, is more of a problem. His play Saturday was sporadic and erratic.

Chelsea can look forward to the bright lights of Europe while Middlesbrough now contemplate visits to such teams as Tranmere, Port Vale and Oxford — with time to reflect that maybe that money cannot buy everything.

Leverkusen Stays on Bayern's Heels

Reuters

Bayer Leverkusen stayed one point behind Bayern Munich at the top of the Bundesliga with a 3-0 victory over struggling St Pauli.

Ulf Kirsten, Dutchman Erik Meijer *and Hans-Peter Lehnhoff scored in the* second half Saturday to condemn St Pauli to relegation.

Bayern had won, 3-0, at Hansa Rostock on Friday.

Both leading teams have two games left. The Bavarians' schedule looks tougher. They entertain fourth-place VfB Stuttgart in Munich next weekend.

Leverkusen, which narrowly avoided relegation last season, is chasing its first championship. It also needs just one point to make sure of second place and Germany's second berth in the Champions Cup.

On Sunday, Kaiserslautern made sure *that it would return to the top division* with a 7-0 victory over VfB Luebeck.

Kaiserslautern, which was relegated from the Bundesliga last season, is nine points ahead of second-placed Hertha Berlin and 13 points ahead of third-placed Mainz and Wolfsburg, in fourth spot. Only the top three are promoted.

Kaiserslautern has won three league titles, most recently in 1991.

FRANCE Nantes snatched the initiative from Paris St. Germain in the race for France's second European Cup place.

Nantes extended its unbeaten run to 30 games Saturday, when it won, 3-0, at home to Montpellier. PSG lost away, 1-0, to arch-enemy Marseille on a penalty three days after losing the European Cup Winners' Cup final to Barcelona, also 1-0 and also on a first-half penalty.

Monaco, already crowned champion, won at Nancy, 3-1. *It entertains Nantes* in the final round of matches next weekend while PSG plays Strasbourg.

NETHERLANDS PSV Eindhoven closed in on its 14th Dutch league title when it beat Utrecht, 6-1, on Saturday.

PSV leads Feyenoord by seven points. Feyenoord has three games left, starting with Rotterdam rival Sparta on Monday.

Luc Nilis scored three goals for PSV to take his league-leading total to 20 this season.

PORTUGAL Porto clinched the Portuguese title for a record third successive season when it beat Guimaraes, 4-0,

SOCCER ROUNDUP

away on Saturday. The victory put the team from Oporto 11 points clear of second-placed Sporting Lisbon with three matches to go.

HUNGARY MTK Budapest became Hungarian champion Saturday after beating bottom-placed Stadler FC 5-3.

MTK, which has lost only one match all season, leads Ujpest by 10 points and last year's champion Ferencvaros by 11, both have three matches left.

SCOTLAND Steve Cropper of Airdrie scored an own-goal to give Hibernian a 1-0 victory in the first leg of a Scottish *league play-off Saturday to decide* which of the two clubs will play in the Premier League next season.

Hibs clung to the 13th-minute lead after defender Gordon Hunter was sent off just before halftime.

Hibernian finished second-from-bottom of the premier division. Airdrie finished second in the first division.

TURKEY Galatasaray became the Turkish champion Friday when its Istanbul rival Fenerbahce lost, 4-1, to lowly Genclerbirligi.

Fenerbahce, the defending champion, slipped to third place, one point behind Besiktas, also of Istanbul, which beat Antalyaspor, 4-0. The top two Turkish clubs qualify for the Champions Cup.

ISRAEL Betar Jerusalem became the *Israeli champion for the third time* Saturday after drawing, 1-1, with Hapoel Jerusalem. Betar took an unassailable eight-point lead with just two rounds to play. Its nearest pursuers, Hapoel Petah *Tikva and Hapoel Beersheba, lost and* drew respectively.

Cipollini Cruises In Giro's 2d Stage

Compiled by Our Staff From Dispatches

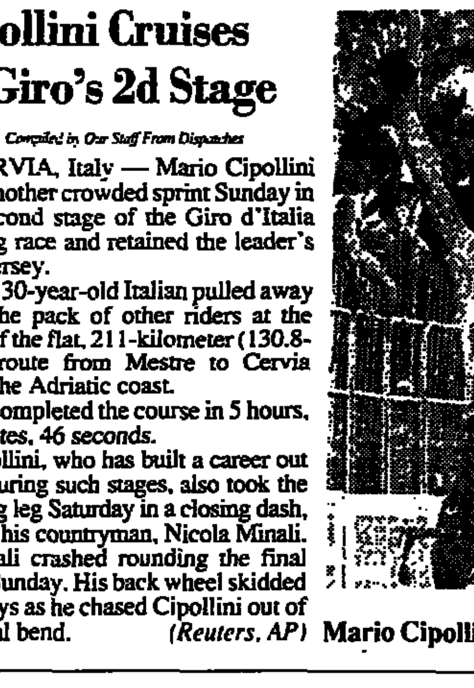
CERVIA, Italy — Mario Cipollini won another crowded sprint Sunday in the second stage of the Giro d'Italia cycling race and retained the leader's pink jersey.

The 30-year-old Italian pulled away from the pack of other riders at the close of the flat, 211-kilometer (130.8-mile) route from Mestre to Cervia along the Adriatic coast.

He completed the course in 5 hours, *9 minutes, 46 seconds.*

Cipollini, who has built a career out of capturing such stages, also took the opening leg Saturday in a closing dash, edging his countryman, Nicola Minali.

Minali crashed rounding the final curve Sunday. His back wheel skidded sideways as he chased Cipollini out of the final bend. *(Reuters, AP)*



Carlo Ferraro/Agence France-Presse

Mario Cipollini winning Sunday.

SCOREBOARD

BASEBALL

MAJOR LEAGUE STANDINGS

AMERICAN LEAGUE

EAST DIVISION	W	L	Pct.	GB
Baltimore	27	13	.675	—
New York	25	17	.595	3
Toronto	21	18	.538	5½
Detroit	18	23	.439	9½
Boston	16	23	.410	10½
CENTRAL DIVISION				
Kansas City	20	19	.513	—
Milwaukee	19	19	.500	½
Cleveland	19	20	.487	1
Chicago	17	22	.436	3
Minnesota	16	26	.381	5½
WEST DIVISION				
Texas	22	17	.564	—
Seattle	23	18	.561	—
Anaheim	20	19	.513	2
Oakland	17	26	.395	7

NATIONAL LEAGUE

EAST DIVISION	W	L	Pct.	GB
Atlanta	28	13	.683	—
Florida	25	16	.610	3
Montreal	22	17	.564	5
New York	21	20	.512	7
Philadelphia	15	25	.375	12½
CENTRAL DIVISION				
Houston	22	20	.524	—
Pittsburgh	21	20	.512	½
St. Louis	17	23	.425	4
Chicago	13	27	.325	8
Cincinnati	12	28	.300	9
WEST DIVISION				
San Francisco	24	15	.615	—
Los Angeles	23	16	.590	1
Colorado	23	17	.575	1½
San Diego	15	24	.385	9

FRIDAY'S LINE SCORES
AMERICAN LEAGUE

Cleveland 100 000 010—2 7 0
Toronto 000 002 21x—5 10 1
Hershiser, Plunk (8) and S.Alomar; Clemens, Plesac (8), Crabtree (8), Timlin (9) and Santiago. W—Clemens, 7-0. L—Hershiser, 3-2. Sv—Timlin (5). HRs—Cleveland, M. Williams (11). Toronto, Sprague (6), A. Gonzalez (3).

Boston 000 020 201—5 9 1
Minnesota 004 410 02x—11 17 1
Hammond, Borland (4), Corsi (5), Slocumb (8) and Haselman; Aldred, Swindell (8) and Steinbach. W—Aldred, 2-5. L—Hammond, 1-2. HRs—Boston, Haselman (3), Bragg (5). Minnesota, D.Jackson (1).

Detroit 000 028 000—10 14 0
Kansas City 000 002 000—2 4 0
J.Thompson, Bautista (9) and B. Johnson; Rosado, R.Veres (9), J.Walker (9) and M.Sweeney. W—J. Thompson, 4-2. L—Rosado, 3-2. HR—Detroit, Nieves (5).

New York 000 000 000—0 4 0
Texas 000 002 40x—6 6 0
D.Wells, Mecir (7) and Posada; Santana, Patterson (7) and I.Rodriguez. W—Santana, 2-0. L—D. Wells, 4-2. Sv—Patterson (1). HRs—Texas, Greer (3), W.Clark (5), Buford (3).

Baltimore 003 100 011—6 11 2
Seattle 001 000 002—3 6 0
Erickson, R. Myers (9) and Webster; D.Martinez, Holzemer (8), Manzanillo (9) and D.Wilson. W—Erickson, 7-1. L—D. Martinez, 1-4. HR—Baltimore, Webster (1).

Milwaukee 100 000 000—1 5 1
Anaheim 000 002 21x—5 8 1
McDonald, D. Jones (8) and Matheny, Levis (8); C.Finley and Leyritz. W—C. Finley, 1-3. L—McDonald, 4-3. HRs—Anaheim, Hollins (2), Alicea (1), Edmonds (7).

Chicago 001 021 101—6 10 2
Oakland 000 001 001—2 9 2
Alvarez, Levine (7), L.Thomas (9), Simas (9), R.Hernandez (9) and Kreuter; W.Adams, S.Montgomery (7), Mohler (9) and G. Williams. W—Alvarez, 3-4. L—W. Adams, 2-5. Sv—R. Hernandez (8). HR—Chicago, F.Thomas (7).

NATIONAL LEAGUE

San Diego 100 200 202—7 9 0
Chicago 238 011 01x—16 21 1
Tl.Worrell, Cunnane (3), Bergman (6), Long (8) and C.Hernandez, Slaught (6); Foster, R. Tatis (8) and Servais, M. Hubbard (8). W—Foster, 4-3. L—Tl.Worrell, 2-5. HRs—San Diego, S. Finley (1), Gomez (3). Chicago, Sosa (7), Servais (2).

Florida 200 000 010—3 6 0
Pittsburgh 010 000 000—1 5 0
A.Fernandez, Nen (9) and Zaun; Lieber, Peters (8), M.Wilkins (9) and Kendall. W—A. Fernandez, 5-4. L—Lieber, 1-5. Sv—Nen (11). HR—Pittsburgh, M. Johnson (3).

Los Angeles 000 001 001—2 6 0
Cincinnati 201 010 00x—4 9 0
Park, Candiotti (6), Osuna (8) and Piazza; Morgan, Shaw (8) and Taubensee. W—Morgan, 1-4. L—Park, 2-2. Sv—Shaw (4). HR—Los Angeles, Piazza (7).

Houston 740 000 001—12 11 1
Philadelphia 000 012 400—7 13 1
Holt, R. Garcia (7), Martin (7), Hudek (9) and Ausmus; M.Leiter, Mimbs (1), R. Harris (3), Plantenberg (6), Spradlin (8), Ryan (9) and Lieberthal. W—Holt, 5-3. L—M. Leiter, 3-4. HRs—Houston, Bagwell (11), Ausmus (1), Biggio 2 (7). Philadelphia, Rolen (2).

Colorado 000 000 020—2 7 0
New York 000 000 100—1 8 0
Ritz, M. Munoz (7), Holmes (8), B. Ruffin (9) and Manwaring; M.Clark, McMichael (8), Trlicek (9) and Hundley. W—M. Munoz, 1-0. L—McMichael, 3-4. Sv—B. Ruffin (7). HR—Colorado, L. Walker (14).

San Francisco 506 000 200—13 14 2
Montreal 020 433 011—14 18 2
Rueter, Roa (4), Tavarez (6), R. Rodriguez (6), D.Henry (7), Beck (9) and R. Wilkins; Bullinger, Torres (3), Telford (5), D. Veres (7), Daal (7), M. Valdes (7), Urbina (9) and Widger. W—Urbina, 2-2. L—Beck, 2-2. HRs—San Francisco, Bonds (7), G. Hill (5). Montreal, Segui (5).

St. Louis 000 000 000 000 0—0 11 1
Atlanta 000 000 000 000 1—1 7 0
(13 innings)
Al.Benes, Petkovsek (10), Fossas (10), T.J.Mathews (11), Frascatore (12) and Difelice, Sheaffer (11); G.Maddux, Wohlers (9), Bielecki (10), Byrd (11), Embree (11), Clontz (12), Borowski (13) and Perez, J. Lopez (9). W—Borowski, 1-0. L—Frascatore, 2-2.

SATURDAY'S LINE SCORES
AMERICAN LEAGUE

Cleveland 004 020 101—8 9 0
Toronto 000 000 010—1 9 0
A.Lopez, Kline (6), Mesa (9) and Borders; W.Williams, Plesac (6) and O'Brien. W—A. Lopez, 1-2. L—W. Williams, 1-3. HR—Cleveland, Thome (8).

Chicago 001 060 000—7 13 1
Oakland 000 301 020—6 8 0
D.Darwin, Karchner (7), R.Hernandez (8) and Karkovice; Karsay, C.Reyes (5), Groom (7), Wengert (8), A. Small (9) and Mayne. W—D. Darwin, 1-2. L—Karsay, 0-5. Sv—R. Hernandez (9). HRs—Chicago, Da.Martinez (3). Oakland, Spiezio (6), McGwire (14).

Boston 012 000 010—4 8 0
Minnesota 000 000 000—0 4 0
Gordon and Hatteberg; Radke, Guardado (8) and Steinbach. W—Gordon, 2-5. L—Radke, 3-3. HR—Boston, O'Leary (4).

Detroit 104 001 210—9 11 0
Kansas City 000 100 001—2 5 0
Pugh, M. Myers (9) and Casanova; Pittsley, McDill (6), J.Montgomery (7), Pichardo (9) and Spehr. W—Pugh, 1-0. L—Pittsley, 0-4. HRs—Detroit, T.Clark 2 (16), B. L.Hunter (3), Higginson (6).

New York 602 001 110—11 20 1
Texas 100 010 201—5 12 2
Mendoza, Stanton (6), Nelson (7), Boehringer (9) and Posada; Burkett, Alberro (2), Gunderson (7), Vosberg (9) and I.Rodriguez, H.Mercedes (8). W—Mendoza, 3-1. L—Burkett, 2-3. HRs—New York, O'Neill (8), T. Martinez (17).

Milwaukee 121 100 000—5 11 1
Anaheim 000 004 02x—6 8 2
Adamson, Wickman (6), Villone (7), Fetters (7) and Matheny, Levis (8); Watson, Hasegawa (4), P. Harris (7), Holtz (8), Percival (8) and Leyritz. W—Percival, 1-2. L—Fetters, 1-2. HRs—Milwaukee, Jaha (8), G. Williams (4).

Baltimore 010 200 100—4 8 1
Seattle 000 010 002—3 9 0
Key, Te.Mathews (6), Ra.Myers (9), A. Benitez (9) and Holles; S.Sanders, McCarthy (6), Ayala (7), Holzemer (9) and Da.Wilson. W—Key, 6-0. L—S. Sanders, 0-5. Sv—A. Benitez (4). HRs—Baltimore, Surhoff (5). Seattle, A.Rodriguez (6).

NATIONAL LEAGUE

San Diego 100 012 200—6 12 0
Cincinnati 001 001 000—2 6 0
J.Hamilton, P. Smith (6), Bochtler (8), Hoffman (9) and Flaherty; Mercker, Belinda (6), Remlinger (6), Carrasco (7), Sullivan (9) and Taubensee. W—J. Hamilton, 2-1. L—Mercker, 1-4. Sv—Hoffman (7). HRs—San Diego, Shipley (1), Gwynn (8). Cincinnati, L.Harris (2).

Colorado 000 000 010—1 8 0
New York 000 201 00x—3 10 1
Thomson, DeJean (7), S.Reed (8) and Je.Reed; B.Jones, Jo.Franco (8) and Hundley. W—B. Jones, 7-2. L—Thomson, 0-2. Sv—Jo.Franco (12). HR—Colorado, Galarraga (8).

Florida 103 201 112—11 19 1
Pittsburgh 000 000 100—1 8 2
Rapp, Hutton (7), F. Heredia (8), Powell (9) and C.Johnson; Cooke, Sodowsky (3), Morel (6), Wainhouse (8) and Kendall. W—Rapp, 3-2. L—Cooke, 3-5. HR—Florida, Rapp (1).

Houston 100 010 000—2 4 0
Philadelphia 002 000 20x—4 8 1
Reynolds, R. Springer (7), Lima (8) and Eusebio; Schilling, Bottalico (9) and Lieberthal. W—Schilling, 6-3. L—Reynolds, 4-4. Sv—Bottalico (9). HRs—Houston, Bagwell (12). Philadelphia, Rolen (3).

St. Louis 000 002 040—6 7 1
Atlanta 020 304 20x—11 19 1
Morris, Raggio (5), Painter (7) and Difelice, Lampkin (5); Smoltz, Byrd (8), Clontz (8) and J. Lopez. W—Smoltz, 5-3. L—Morris, 1-2. HRs—St. Louis, Lankford (7), Gant (6), Franklin (2). Atlanta—Blauser (6).

Los Angeles 004 120 001—8 11 0
Montreal 000 000 201—3 4 3
Nomo, Radinsky (9) and Piazza; C.Perez, Torres (6), M.Valdes (8) and Fletcher. W—Nomo, 5-2. L—C. Perez, 4-3.

San Francisco 000 000 022—4 5 0
Chicago 100 000 000—1 7 1
Gardner, Beck (9) and Berryhill, R. Wilkins (3); Telemaco, Rojas (9), Patterson (9) and Servais. W—Gardner, 5-1. L—Telemaco, 0-3. Sv—Beck (14). HRs—San Francisco, Kent (9), R.Wilkins (3).

JAPANESE LEAGUES

CENTRAL LEAGUE

	W	L	T	Pct.	GB
Yakult	22	14	—	.611	—
Chunichi	18	18	—	.500	4.0
Hiroshima	16	16	—	.500	4.0
Yokohama	16	16	—	.500	4.0
Hanshin	16	18	—	.471	5.0
Yomiuri	14	20	—	.412	7.0

SATURDAY'S RESULTS

Yakult 3, Hanshin 0
Chunichi 10, Yomiuri 6
Yokohama 4, Hiroshima 3

SUNDAY'S RESULTS

Hanshin 1, Yakult 0
Yokohama 8, Hiroshima 2
Chunichi 9, Yomiuri 1

PACIFIC LEAGUE

	W	L	T	Pct.	GB
Seibu	21	13	—	.618	—
Daiei	19	16	—	.543	2.5
Orix	15	15	—	.500	4.0
Nippon Ham	16	18	—	.471	5.0
Lotte	14	18	1	.438	6.0
Kintetsu	14	19	1	.424	6.5

SATURDAY'S RESULTS

Seibu 8, Lotte 5
Daiei 5, Orix 4
Nippon Ham 4, Kintetsu 0

SUNDAY'S RESULTS

Seibu 7, Lotte 0
Daiei 5, Orix 2
Kintetsu 8, Nippon Ham 0

BASKETBALL

NBA PLAYOFFS

SECOND ROUND
(BEST-OF-SEVEN)
FRIDAY'S RESULT

Miami	17	23	24	31—95
New York	27	17	22	24—90

M: Mourning 10-18 7-14 28, Hardaway 8-17 1-4 20; N.Y.: Childs 9-17 3-3 22, Johnson 6-12 8-9 20. Rebounds—Miami 43 (Mourning 9), New York 56 (Oakley 12). Assists—Miami 20 (Hardaway 8), New York 18 (Childs 9).
(Series tied 3-3)

SATURDAY'S RESULT

Seattle	31	19	17	24—91
Houston	30	25	19	22—96

S: Payton 9-22 5-6 27, Kemp 7-16 7-8 21; H: Drexler 9-19 4-7 24, Olajuwon 11-19 0-3 22. Rebounds—Seattle 53 (Kemp 10), Houston 54 (Barkley 14). Assists—Seattle 21 (Payton 7), Houston 35 (Elie 11).
(Houston wins series 4-3)

HOCKEY

NHL PLAYOFFS

EASTERN CONFERENCE FINALS
(BEST-OF-SEVEN)

N.Y. Rangers	0	0	1—1
Philadelphia	2	0	1—3

First Period: P-Zubrus 5 (Lindros, LeClair) 2, P-Niinimaa 1 (Lindros, LeClair) (pp). Second Period: None. Third Period: P-Desjardins 2 (Lindros, LeClair) 4, New York, Robitaille 4 (Gretzky, Samuelsson) Shots on goal: N.Y.- 6-6-13—25. P- 8-5-8—21. Goalies: N.Y.-Richter. P-Snow.
(Philadelphia leads series 1-0)

WESTERN CONFERENCE FINALS
(BEST-OF-SEVEN)

Detroit	0	1	3—4
Colorado	1	1	0—2

First Period: C-Young 2 (Ozolinsh, Ricci) (pp). Second Period: C-Lemieux 11 (Kamensky, Forsberg) 3, D-Larionov 2 (Fedorov, Lidstrom) (pp). Third Period: D-Fedorov 3 (Yzerman, Lidstrom) 5, D-Yzerman 4, 6, D-McCarty 2 (Shanahan) Shots on goal: D- 13-17-10—40. C- 5-6-6—17. Goalies: D-Vernon. C-Roy.
(Series tied 1-1)

TENNIS

ITALIAN OPEN
MEN'S SINGLES
FRIDAY, IN ROME
QUARTERFINALS

Alberto Berasategui, Spain, def. Marc-Kevin Goellner, Germany, 7-5, 7-5.

SATURDAY, IN ROME
SEMIFINALS

Alex Corretja (10), Spain, def. Goran Ivanisevic (6), Croatia, 7-6 (7-5), 7-6 (7-4); Marcelo Rios (7), Chile, def. Alberto Berasategui, Spain, 6-3, 3-6, 6-1.

SUNDAY, IN ROME
FINAL

Corretja def. Rios, 7-5, 7-5, 6-3.

GERMAN OPEN
WOMEN'S SINGLES
SATURDAY, IN BERLIN
SEMIFINALS

Mary Joe Fernandez (10), United States, Jana Novotna (2), Czech Republic, 6-3, 6-1; Mary Pierce (12), France, def. Amanda Coetzer (7), South Africa, 6-4, 6-4.

SUNDAY, IN BERLIN
FINAL

Fernandez def. Pierce, 6-4, 6-2.

RUGBY

RUGBY UNION SUPER 12

Free State 35, Northern Transvaal 23
Canterbury 48, Queensland 3
New South Wales 20, Auckland 34
Gauteng 42, Natal 8
Wellington 29, ACT 35

PACIFIC RIM CHAMPIONSHIP

Hong Kong 46, United States 9
Japan 32, Canada 31

CRICKET

INDEPENDENCE CUP
SRI LANKA VS. INDIA
SATURDAY, IN BOMBAY

India innings: 225-7 (50 overs)
Sri Lanka innings: 229-5 (40.5 overs)
Result: Sri Lanka won by 5 wickets.

ONE-DAY MATCH
NORTHAMPTONSHIRE VS. AUSTRALIA
SATURDAY, IN NORTHAMPTON

Australia innings: 232 all out (47.4 overs)
Northamptonshire innings: 134-5 (35 overs)
Result: Australia won on faster run rate.

ONE-DAY MATCH
WORCESTERSHIRE VS. AUSTRALIA
SUNDAY, IN WORCESTER

Australia innings: 121 all out (35 overs)
Worcestershire innings: 123-5 (38.5 overs)
Result: Worcestershire won by 5 wickets.

CYCLING

GIRO D'ITALIA

Leading results Saturday in the first stage of the Tour of Italy cycling race in Venice. Stage distance 128 kilometers (79.3 miles): 1. Mario Cipollini, Italy, Saeco, 2 hours, 38 minutes, 17 seconds; 2. Nicola Minali, Italy, Batik-Del Monte, s.t.; 3. Endrio Leoni, Italy, Aki-Safi, s.t.; 4. Filippo Meloni, Italy, Amore e Vita, s.t.; 5. Mirko Rossato, Italy, Scrigno, s.t.; 6. Marcel Wust, Germany, Festina Lotus, s.t.; 7. Gabriele Balducci, Italy, Ceramiche Refin, s.t.; 8. Angel Edo Alsina, Spain, Kelme Costa Blanca, s.t.; 9. Gabriele Missaglia, Italy, Mapei, s.t.; 10. Serguei Outschakov, Ukraine, Team Polti, s.t.

Leading results Sunday in the 211-km second stage of the Tour of Italy from Mestre: 1. Cipollini, 5 hours, 9 minutes, 46 seconds; 2. Jan Svorada, Czech Republic, Mapei, s.t.; 3. Leoni, s.t.; 4. Maurizio Tomi, Italy, Ros Mary s.t.; 5. Balducci, s.t.; 6. Massimo Apollonio, Italy, Scrigno s.t.; 7. Missaglia, s.t.; 8. Glenn Magnusson, Sweden, Amore and Vita s.t.; 9. Mariano Piccoli, Italy, Brescialat s.t.; 10. Yevgeny Berzin, Russia, Batik s.t.

OVERALL STANDINGS: 1. Cipollini, 7 hours, 47:39; 2. Leoni 16 seconds behind; 3. Svorada s.t.; 4. Minali, s.t.; 5. Magnusson, 20 seconds; 6. Balducci, 24 seconds; 7. Missaglia, s.t.; 8. Wust, s.t.; 9. Piccoli, s.t.; 10. Berzin, s.t.

GOLF

ENGLISH OPEN

Leading scores after Sunday's final round of the 850,000-pound ($1.05 million) English Open at the par-72, 7,018-yard Marriott Hanbury Manor course in Ware:

P. Johansson, Sweden	70-68-64-67—269
D. Edlund, Sweden	68-65-69-69—271
Jay Townsend, U.S.	72-63-70-67—272
S. Webster, England	68-66-70-68—272
D. Howell, England	70-70-66-67—273
R. Chapman, England	66-66-71-70—273
S. Torrance, Scotland	73-67-67-67—274
R. Claydon, England	69-69-66-70—274
Mark James, England	72-67-69-67—275
Gary Orr, Scotland	71-70-71-64—276

SOCCER

FA CUP FINAL

Chelsea 2, Middlesbrough 0
Scorers: Roberto di Matteo (1st), Eddie Newton (83rd)

SPANISH FIRST DIVISION

Real Betis 3, Sevilla 3

ITALIAN FIRST DIVISION

Bologna 0, Vicenza 0
Juventus 1, Parma 1
Milan 2, Lazio 2
Napoli 2, Fiorentina 2
Piacenza 1, Cagliari 1
Reggiana 1, Perugia 4
Roma 1, Inter 1
Sampdoria 4, Udinese 0
Verona 1, Atalanta 1

STANDINGS: Juventus 63 points; Parma 57; Inter 55; Lazio 51; Sampdoria 49; Bologna 48, Udinese 48; Vicenza 44; Milan 43; Roma 41, Fiorentina 41; Atalanta 40; Napoli 38; Cagliari 34, Piacenza 34, Perugia 34; Verona 27; Reggiana 19.

GERMAN BUNDESLIGA

Fortuna Duesseldorf 0, Karlsruher SC 3
Hansa Rostock 0, Bayern Munich 3
Bayer Leverkusen 3, FC St. Pauli 0
Borussia Dortmund 2, Werder Bremen 1
Borussia Moenchengladbach 6, VfL Bochum 2
Hamburg SV 0, FC Cologne 4
1860 Munich 2, Schalke 04 1
VfB Stuttgart 0, MSV Duisburg 2

STANDINGS: Bayern Munich 67 points; Bayer Leverkusen 66; Borussia Dortmund 60; VfB Stuttgart 58; VfL Bochum 50; 1860 Munich 49; Karlsruher SC 45; Moenchengladbach 42, Werder Bremen 42; FC Cologne 41; Arminia Bielefeld 40, Schalke 04 40; MSV Duisburg 39; Hansa Rostock 37, Hamburger SV 37; Fortuna Duesseldorf 32; FC St. Pauli 27; SC Freiburg 22.

FRENCH FIRST DIVISION

Marseille 1, Paris St Germain 0
Nantes 3, Montpellier 0
Bastia 2, Auxerre 1
Nice 3, Metz 0
Bordeaux 2, Lyon 2
Nancy 1, Monaco 3
Strasbourg 1, Lens 0
Caen 3, Cannes 0
Rennes 1, Guingamp 1
Lille 2, Le Havre 2

STANDINGS: Monaco (champions) 76 points; Nantes 64, Paris St Germain 64; Bordeaux 60, Strasbourg 60; Metz 59; Auxerre 58, Bastia 58; Lyon 57; Marseille 49; Montpellier 48; Guingamp 46; Lens 44; Le Havre 43; Cannes 37 9 14 14 25 40 41 Rennes 41; Caen 40; Lille 35; Nancy 34; Nice 23.

DUTCH FIRST DIVISION

Vitesse Arnhem 2, Fortuna Sittard 1
PSV Eindhoven 6, Utrecht 1
Willem II Tilburg 2, Graafschap Doetinch. 0
NAC Breda 0, RKC Waalwijk 2
Heerenveen 1, Volendam 2
AZ Alkmaar 1, Groningen 4
Ajax Amsterdam 3, Twente Enschede 2
NEC Nijmegen 2, Roda JC Kerkrade 1

STANDINGS: PSV Eindhoven 74 points; Feyenoord 67, Twente Enschede 59; Ajax Amsterdam 58; Vitesse Arnhem 54; Roda JC Kerkrade 52; Heerenveen 50; Graafschap Doetinchem 42; NAC Breda 39; Groningen 36; Sparta Rotterdam 35, Utrecht 35, Fortuna Sittard 35; Willem II Tilburg 34, Volendam 34; NEC Nijmegen 28, RKC Waalwijk 28; AZ Alkmaar 25.

MAJOR LEAGUE SOCCER

New England 2, San Jose 1, SO (3-0)
Dallas 2, Tampa Bay 0
Colorado 2, Columbus 1, SO (2-1)

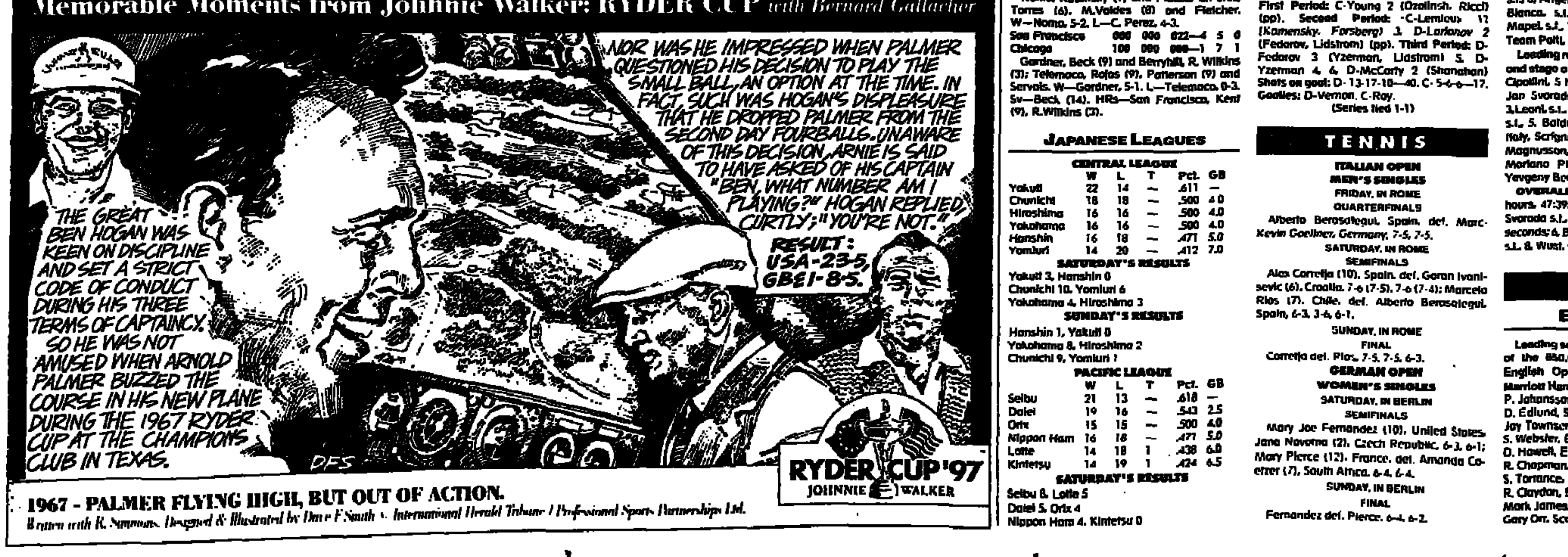
STANDINGS: Eastern Conference—Columbus 14 points; D.C. 13, Tampa Bay 13; New England 11; NY-NJ 7. Western Conference— Dallas 12; Colorado 10, Kansas City 10; San Jose 8; Los Angeles 3.

WORLD CUP QUALIFYING

Yemen 7, Cambodia 0
Latvia 3, Estonia 1
Jamaica 1, El Salvador 0

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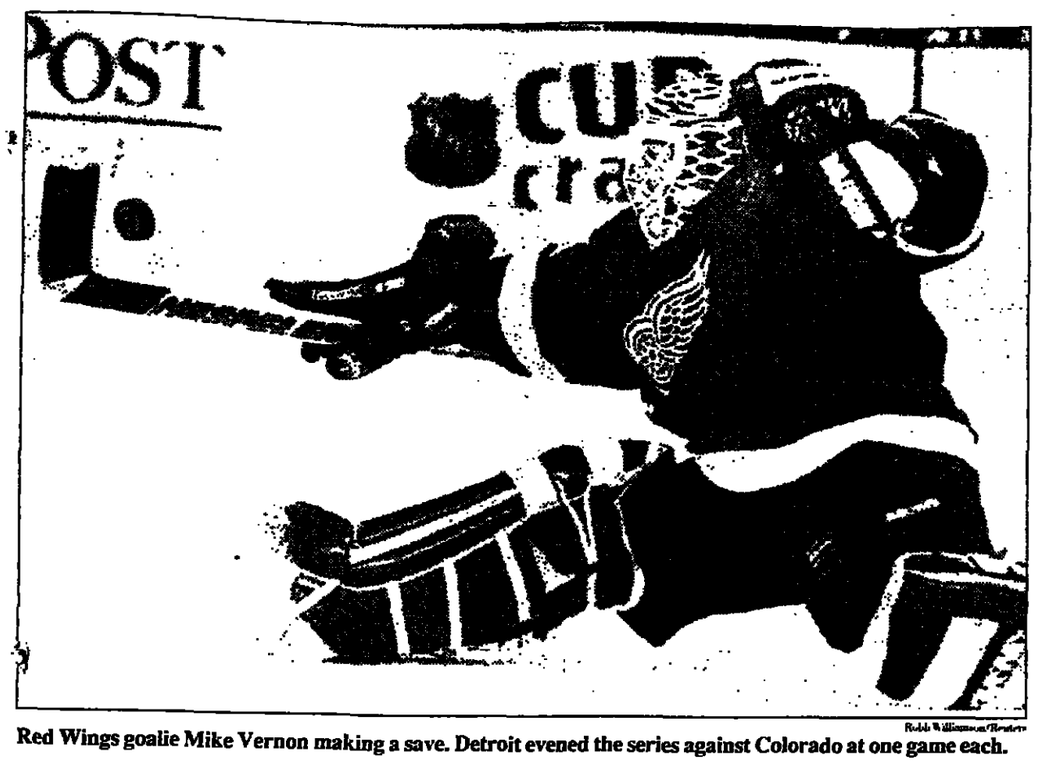
Memorable Moments from Johnnie Walker: RYDER CUP *with Bernard Gallacher*



1967 - PALMER FLYING HIGH, BUT OUT OF ACTION.

Written with R. Simmons. Designed & Illustrated by Dave F Smith © International Herald Tribune / Professional Sports Partnerships Ltd.

SPORTS



Robb Williamson/Reuters

Red Wings goalie Mike Vernon making a save. Detroit evened the series against Colorado at one game each.

Red Wings Rally Past Avalanche

The Associated Press

DENVER — The Detroit Red Wings outworked and outplayed the Colorado Avalanche for the second straight game, and this time they were rewarded.

Steve Yzerman and Darren McCarty scored goals in the final four minutes, rallying the Red Wings to a 4-2 victory Saturday night and squaring the Western Conference finals one game each.

Detroit dominated the defending Stanley Cup champions, but had to rally from a 2-0 deficit. The Red Wings, whooutshot Colorado, 35-19, in the series opener but lost 2-1, again enjoyed a huge advantage, outshooting the Avs, 40-17.

Still, the Wings trailed by two goals in the second period before Igor Larionov scored the first Detroit goal. Sergei Fedorov tied it early in the third.

Larionov's power-play goal deflected in off Colorado defenseman Adam Foote.

"After that goal, luck started to go our way," said Scotty Bowman, the Red Wings' coach. "It was a fortunate play for us, and it seemed to spark our team."

Yzerman scored his 44th career playoff goal, banking a shot off the pads of goaltender Patrick Roy from behind the net to break a 2-2 tie at 16:00.

"I just tried to throw it out in front of him," Yzerman said. "Even if it doesn't go in, there's a chance that we might get a rebound."

NHL Playoffs

Defenseman Nicklas Lidstrom made a stick save to rob Colorado's Eric Lacroix on a shot at an unguarded net moments later. Then Detroit's McCarty scored on a breakaway at 18:43.

The Avalanche had won their previous 11 home playoff games.

The Red Wings outshot Colorado, 13-5, in the first period. Roy made big saves on shots by Fedorov and Brendan Shanahan, and Martin Lapointe hit the right post.

Scott Young's power-play goal late in the period gave Colorado a 1-0 lead. Sandis Ozolinsh sent a delayed pass from the right circle to Young, who scored from the left circle at 18:37. It was only the second goal for Young in the last 27 games and just the fifth shot of the period for the Avalanche.

Detroit continued to pepper Roy with shots in the second period, enjoying a 17-6 advantage. But Colorado moved to a 2-0 lead on Claude Lemieux's NHL-leading 11th playoff goal. Lemieux, matching his goal total in 45 regular-season games, punched in a rebound of Kamensky's shot at 16:09, extending his points streak to nine games.

Moments later, after a high-sticking penalty on Ozolinsh, Larionov scored his second goal of the playoffs at 16:51.

It ended an 0-for-9 power-play drought by Detroit in the series.

The Red Wings scored another power-play goal at 2:10 of the third period when Fedorov connected from the left circle.

Bowman said he wasn't worried when his team fell behind 2-0.

"We were playing pretty well," he said. "We weren't discouraged. I thought we just had to push harder. After the second period, I told our team we were starting to worry the other team, so just keep working, keep playing hard."

Marc Crawford, the Avalanche coach, said his team "played awful."

Rockets Outlast Sonics in Game 7

Barkley Leads Houston to a Place in the Final Four

By Sam Howe Verhovek
New York Times Service

HOUSTON — There have been moments in the Western Conference semifinals when Charles Barkley played with such intensity that he seemed destined for a confessional on talk-show television. Next on Oprah: Men Who Want a Championship Too Much.

But on Saturday, after starting the seventh, and decisive, game of the series by missing two easy tip-ins and two layups, Barkley settled down, eased up and turned in a remarkable performance. He scored 20 points, grabbed 14 rebounds and fired up his teammates and the hometown crowd in a 96-91 victory over the Seattle SuperSonics.

After missing free throws and throwing up air balls at critical junctures in earlier games, Barkley lived up to his guarantee of both a great game personally and a Rocket victory.

"I ain't got no chicken in my heart," Barkley said after the game. He is hoping to win his first league championship in 13 seasons.

It was, in fact, a great game for each of the Rockets' three wise men: Barkley, Hakeem Olajuwon and Clyde Drexler.

The three 34-year-olds scored 66 points between them, including 35 of the Rockets' 41 second-half points, and crashed and bumped their way to 35 rebounds.

The younger Sonics team turned out to be the more tired of the two, spinning into a terrible torpor late in the third quarter and well into the fourth, in which they missed a dozen shots in a row and went for 6 minutes and 14 seconds without a field goal.

Still, the Sonics put on a ferocious push toward the end of the game, going on a 12-1 run and narrowing the margin to 89-86 with 1:32 to play on Shawn Kemp's driving layup and foul shot.

The rookie Matt Maloney, a cool and sensational hero in some games of this series and a nervous young man who could not seem to find the hoop with a medicine ball in others, then responded with a 3-pointer with 1:17 left that put the crowd into a frenzy and the Rockets up, 92-86.

But the Sonics got the next 4 points, and the outcome wasn't certain until the very end as Drexler, in two instances, made just one of two shots from the foul line.

With 16.3 seconds to go, down 94-91, the Sonics fumbled, Kemp missed a desperation shot, and suddenly Olajuwon was more or less alone under the basket, making the shot that iced the victory.

For a team that is a bit long in the tooth, winning a bruising seven-game series, however thrilling, is perhaps not the most auspicious way to move on to the conference finals. The Rockets then flew to Salt Lake City for a matchup against the well-rested Utah Jazz. Barkley played down concerns that the team would be too weary to fight against the Jazz.

"If you're tired at this stage of the season," he said, "you should be doing something else."

And Drexler sounded more like an excited college player than a jaded vet

NBA Playoffs

eran as he talked about the conference finals.

"This is the Final Four of the NBA," he said. "We made it!"

The victory Saturday marked the first time that the Rockets have ever beaten the Sonics in the playoffs, having lost five earlier series.

The Sonics are the only team that Rudy Tomjanovich has lost a playoff series to in his six years as Houston's head coach.

The Sonics, the defending Western Conference champions, were vying to become only the sixth team to rally from a 3-1 deficit and win a playoff series. (The Heat got a chance to try for that honor on Sunday against the Knicks.) Last year, they swept the Rockets, at that point the league's defending champions, in the semifinal conference round.

Going into the game, the teams could hardly have been more evenly matched. Both won 57 games in the regular season and had won six playoff games apiece.

Across the span of the first six games in this series, the Sonics had scored exactly one more field goal, while the Rockets had scored a cumulative total of 4 more points.

Every game but one had been decided by 6 points or less. Both teams had a field-goal shooting mark of 44 percent.

"That was a great series," said Olajuwon after it was all over. "It was a war and it took seven close games. I respect those guys."

"This was a series that was won on blood and guts," said Mario Elie of the Rockets.

Said Terry Cummings of the Sonics: "They did what was necessary to win the game. I wish we hadn't dug such a big hole for us."

Kemp, the Sonics' forward who scored 21 points and got 10 rebounds, and had some troubled moments this season, hinted that he might wind up on another team next season.

"We'll wait for the future on that," he said when asked whether he would play with Seattle in 1997-98.

While perhaps not quite as violent as the brutal matchup between the Knicks and the Heat, this playoff series has been plenty intense. There were no bench-clearing brawls or suspensions, but in the sixth game of the series, Kevin Willis delivered a sharp elbow to Kemp, drawing a $10,000 fine, while Kemp's return swat at Willis made him $5,000 poorer.

The Washington Post reported:

Barkley had said Friday: "We will win the game." His proclamation made headlines.

"I didn't guarantee a win," he said. "I just said we would win Game 7. I don't guarantee anything but death and taxes and politicians are going to lie."

Barkley said the idea was to help relax Maloney, who had scored only six points in the previous two games. "The only reason I said that was to take the pressure off Matt," Barkley said.

"I didn't want to read stories about how bad Matt Maloney was doing. I wanted to read stories about how I was guaranteeing a win — which I did not do."



David J. Phillip/The Associated Press

The Sonics' Terry Cummings scoring over the Rockets' Mario Elie.

Williams Leads Indians' Homer Spree

The Associated Press

Matt Williams hit two of Cleveland's four home runs, Sunday as the Indians won, 8-6, in Toronto.

Sandy Alomar and Jim Thome also connected for Cleveland, which leads the majors with 71 home runs. The Indians won for the third time in eight games.

Orlando Merced and Ed Sprague homered in the first inning for Toronto and Joe

Baseball Roundup

Carter connected later. The Blue Jays lost for only the fifth time in 15 games.

Williams hit a two-run shot in the first inning and led off the third with his 13th homer of the season. It was the 23d multi-homer game of his career, including a three-homer performance this season against Milwaukee.

Phillies 5, Astros 3 Scott Rolen hit a two-run homer and Garrett Stephenson allowed only six hits and one unearned run over seven innings as Philadelphia beat visiting Houston.

Rolen's third-inning home run, his third in three days and fourth of the season, gave the Phillies a 4-0 lead. Darren Daulton then followed with his fifth of the year.

Stephenson (1-0), who struck out 12 Cardinals in his first major league start on May 13, struck out four and did not walk a batter.

In games played on Saturday:

Padres 6, Reds 2 Tony Gwynn had three hits, including a two-run homer, as the San Diego Padres ended a four-game losing streak with a victory over the frustrated Reds in Cincinnati.

Ray Knight, the Reds manager, coached third base for a second consecutive game and was ejected for arguing a call with umpire Jerry Layne. Knight kicked dirt on third base, uprooted it and slammed it down before leaving.

Knight, who was fined for dusting home plate with his hand, foot and cap after a May 1 ejection, is showing the strain of the Reds' worst start in 47 years. Cincinnati has the worst record (12-28) in the major leagues.

Mets 3, Rockies 1 Bobby Jones became the first seven-game winner in the National League, as he pitched the New York Mets past visiting Colorado.

Jones (7-2) won his fourth straight decision. He scattered seven hits in eight innings, striking out four and walking three.

Braves 11, Cardinals 6 One night after being no-hit for 8⅔ innings, Atlanta broke loose for 19 hits — five by Kenny Lofton — to beat visiting St. Louis.

John Smoltz (5-3), whose scheduled start was pushed back one day by a flu bug, had two hits to lift his batting average to .435 (10-for-23). Jeff Blauser added three hits, including a two-run homer.

Lofton went 5-for-5, giving him a major league-leading 66 hits.

On Friday night, St. Louis's Alan Benes had his no-hit bid broken up with two outs in the ninth inning on a double by Michael Tucker and the Braves went on to win, 1-0, in 13 innings.

Marlins 11, Pirates 1 In Pittsburgh, the pitcher Pat Rapp homered for one of Florida's season-high 19 hits as the Marlins won their sixth straight.

Bobby Bonilla, formerly of the Pirates, had two doubles among his three hits.

Phillies 4, Astros 2 In Philadelphia, Curt Schilling allowed three hits and struck out 11 in eight innings. Schilling (6-3) walked three and raised his major-league leading strikeout total to 79.

Dodgers 8, Expos 3 Hideo Nomo struck out a season-high 11 in 8⅓ innings, and doubled to ignite a four-run third inning as Los Angeles won in Montreal.

Giants 4, Cubs 1 Rick Wilkins, who entered the game as a replacement for the injured Damon Berryhill, hit a go-ahead, two-run homer in the eighth inning as San Francisco won in Chicago.

Wilkins's third homer followed a leadoff walk to Mark Lewis and came off Amaury Telemaco, who had been working on a two-hit shutout.

Mark Gardner (5-1) won his fifth straight decision, matching a career best. Rod Beck pitched the ninth for his NL-leading 14th save.

Indians 8, Blue Jays 1 Jim Thome hit his second career grand slam as Cleveland won in Toronto.

White Sox 7, Athletics 6 Frank Thomas drove in three runs with a pair of doubles and Dave Martinez capped a six-run fifth with a three-run homer as Chicago won in Oakland.

Thomas went 3-for-3 with a pair of walks and raised his batting average to .353.

Mark McGwire hit his 14th homer for the A's.

Red Sox 4, Twins 0 In Minneapolis, Tom Gordon pitched a four-hitter for Boston's first complete game this season, helping the Red Sox end a seven-game losing streak.

Gordon struck out a season-high 10, walked four and recorded his first complete game since Aug. 28 of last season.

Tigers 9, Royals 2 In Kansas City, Tim Pugh beat the team that gave up on him and Tony Clark hit two of Detroit's four home runs, leading the Tigers past Kansas City.

Pugh, making his first appearance since being called up Tuesday from Triple-A Toledo, gave up one run and three hits in eight innings.

Pugh was 0-1 with a 5.45 earned run average in one start and 18 relief appearances last season for the Royals, who released him on Aug. 14.

Jim Pittsley (0-4) had another poor start. He went five innings, gave up six hits and five runs with two walks as his ERA rose from 7.08 to 7.46.

Yankees 11, Rangers 5 In Arlington, Texas, Tino Martinez and Paul O'Neill both homered during New York's six-run first inning.

Martinez's 17th homer, a three-run shot, gave him 50 runs batted in over 42 games. O'Neill added a two-run homer, his eighth, as New York rocked Texas starter John Burkett with five straight hits in the first.

Bernie Williams went 4-for-4 and Cecil Fielder added four hits for New York, which beat Texas for the seventh time in the last eight games between the clubs.

Orioles 4, Mariners 3 Jimmy Key became the season's first eight-game winner when Baltimore's bullpen survived a shaky ninth inning in Seattle.

Key (8-0) gave up one run and six hits in 5⅔ innings — equaling his shortest appearance this year.

Angels 6, Brewers 5 In Anaheim, Darin Erstad's run-scoring single capped a two-run rally in the eighth inning that gave the Angels their sixth straight victory.



Al Behrman/The Associated Press

Ray Knight, the manager of the Cincinnati Reds, hurling third base to the ground during his tantrum.



HORSE RACING Silver Charm on course for Triple Crown p. 22 **BASKETBALL** Rockets beat Sonics in game 7 p. 23

STYLE TOMORROW

Herald International Tribune
SPORTS

WORLD ROUNDUP



David Jones/AFP

Greg Blewitt of Australia missing the ball against Worcestershire on Sunday. Australia lost, its first defeat on its cricket tour of England.

Malone Wins MVP

BASKETBALL Karl Malone, the muscular power forward who helped carry the Utah Jazz to the best record in the Western Conference this season, edged Michael Jordan on Sunday to win his first NBA most valuable player award.

Malone received 986 points and 63 first-place votes while Jordan, who has won the award four times, got 957 points and 52 first-place ballots from a panel of sports writers and broadcasters in the United States and Canada.

The only closer vote was when Magic Johnson beat Charles Barkley by 22 points in the 1989-90 season. *(AP)*

Swedish Showdown

GOLF Per-Ulrik Johansson improved his chances of a second successive Ryder Cup place on Sunday when he won the English Open by two strokes at Ware.

The 30-year-old Swede shot a final-round five-under-par 67 for a 269 total, 19 under par, to beat compatriot Dennis Edlund. It was Johansson's fourth victory on the European Tour.

The triumph hoisted Johannson from 10th to third in the Ryder Cup rankings. The top 10 golfers qualify for a spot in the team that plays the Americans at Valderrama, Spain, in September.

Edlund, 31, shot a 69 for 271, one stroke ahead of an American, Jay Townsend, and a young Englishman, Steve Webster. *(Reuters)*

Moscow Weighs Bid

OLYMPICS Moscow is considering bidding to be host of the 2008 Games, the mayor of the Russian capital said Sunday.

"It think that Boris Yeltsin will support such a decision," said Yuri Luzhkov, a dynamic organizer who makes little secret of his ambition to succeed the Russian president. *(Reuters)*

Capital Victory

RUGBY UNION Australian Capital Territories beat the Wellington Hurricanes in Wellington on Sunday 38-29 and booked a home semi-final in the Southern Hemisphere Super 12 competition. *(Reuters)*

Claymores Beat Admirals

AMERICAN FOOTBALL Yo Murphy caught a 50-yard pass from Dave Barr with just under two minutes remaining to give the defending champion Scottish Claymores a 10-6 victory Sunday over the Amsterdam Admirals in the World League of American Football. *(AP)*

Corretja Defeats Rios, Taking Title in Rome

Spaniard's Boldness on Baseline Will Face Test at French Open

By Ian Thomsen
International Herald Tribune

ROME — The French Open begins next week without a leading candidate.

Two more names were added to the ever-growing list of contenders when Alex Corretja of Spain beat the pony-tailed Chilean, Marcelo Rios, in the Italian Open final Sunday, 7-5, 7-5, 6-3.

Corretja served well and was obstinate from the baseline, he became the only repeat winner on clay this spring and moved up seven places to No. 8 in the world — his first appearance in the Top 10 — but one wonders whether he can create the shots demanded of every champion over the two weeks at Roland Garros.

"I think the next step will be to win a Grand Slam," Corretja said. "This tournament is the greatest victory in my career. I have to mentally prepare that it's going to be different than one of these tournaments — the matches are all five sets — but I think I can do well there also."

Rios, the seventh seed, was the more obviously talented. Incredibly quick and balanced, he broke the 10th-seeded Corretja in the first game and seemed immediately inclined to carry on the trend of their last match together, the final at Monte Carlo a month ago, which turned into a three-set rout for Rios. But Corretja was too proud to let that happen again. He made his stand in just the third game, extending it to 21 minutes and not letting go until Rios gave in. From then on, there was little to choose between them, except on the crucial points.

"If I don't win that game, the set it was almost gone," Corretja said of the third game. "That's when I make the struggle to fight and get into the match. Mentally I began to believe in myself more and more."

The Chilean was frustrated, flinging his racket at his feet after a backhand mistake lost the first set for him on serve. Twice in the second set, he accepted Corretja's invitations to take the lead, only to be broken back to even again.

The Spaniard was guarding his baseline first of all, and attacking from a distance only when it was logical to try. Though he was 800 kilometers (500 miles) from his home in Barcelona, he defended Italy's most famous court as if it were his own. But then, the Spaniards believe that every clay court is theirs. They are the premier baseline players in the world, and no one from Spain has played better on clay this spring than Corretja.

In the final set, Rios seemed to relax slightly, going for his shots more openly, willing to accept what came. Despite this loss, Rios, 21, became this week one of the leading contenders for Roland Garros. His weakness at the net should not be a factor, and, in the absence of a dominant player this clay season, his talent and charisma might carry him far.

In the semifinal Saturday, he beat another Spaniard, the former French Open finalist Alberto Berasategui, 6-3, 3-6, 6-1.

However, Rios's will to persevere remains in question. Late in the final set, he was hearing whistles of derision from the crowd of 9,500, most of them clearly wanting to support him, but upset that he would attempt two hopeless drop volleys — the first of them losing his serve in the sixth game, wasting his hard work in the previous game when he broke back to even.

In many ways, the final epitomized the two schools of modern tennis. Rios represents the John McEnroe school, but without that champion's wit. McEnroe quickly became a star, in part because his arrogance comes across well on television, though it also makes him unpopular among fellow players.

Corretja is just a guy who wants to win and does not care how he looks. His style is quiet and unspectacular. Between them, Rios and Corretja have already earned $4.5 million.

Only Michael Chang, like Corretja, has contested four singles finals this year. Corretja reached the Italian Open final after defeating sixth-seeded Goran Ivanisevic on Saturday, 7-6 (7-5), 7-6 (7-4). Ivanisevic did not seem to mind the loss, having missed the previous five weeks because of a broken finger.

"Three years ago when I played him at Roland Garros, he played with no topspin backhand," Ivanisevic said of Corretja. "Now he gives you no easy points, you have to fight for everything against him."

Altogether, the week served as proof that this great tournament had been undermined by the ambivalence of players who have come to view it as a warm-up for the French Open.

Mark Miles, the chief executive officer of the ATP tour, has reacted to years of criticism by revealing a proposal Sunday to streamline the players' ranking system. The ATP has tried designating dome tournaments Super Nine events, but the players do not always play as if they are super.

Under the new proposed format, each player's ranking would be influenced most severely by his performances in the four Grand Slam tournaments as well as in seven or eight major ATP Tour events, including the Italian Open.

At the moment the ATP tour is without structure. Players are invited to attend as many tournaments as possible, with the understanding that they can throw the occasional match without recrimination. Under the new system, fans could count on the top players gathering at a dozen major tournaments each season — and hopefully trying their hardest at those tournaments.

Worryingly, Miles said that the proposal might offer injured players the chance to make up points at lesser events. No other sport offers injured players the chance to recover a missed opportunity. If the tennis tour wants to improve its competitions, its players must begin to accept some harsh rules.



Jim Bourg/The Associated Press

Mary Joe Fernandez returning Mary Pierce's serve in the Berlin final.

■ Fernandez Wins German Open

Mary Joe Fernandez won her first title in more than two years Sunday, when she beat a wilting Mary Pierce in straight sets in the final of the German Open, The Associated Press reported from Berlin.

Fernandez survived a flurry of winners at the start from Pierce, who won the Italian Open last week, and went on to beat her, 6-4, 6-2.

Pierce led 4-2 in the first set against the 10th seed, but collapsed when her fierce groundstrokes began to miss.

"The harder I tried, the worse I was playing," said Pierce, seeded 12th. "I ran out of gas. I felt like all my energy was gone after six or seven games."

Fernandez won eight straight games as Pierce continued to hammer shots deep into the corners without success.

"This was the biggest title of my career," said Fernandez. "This was a tough field — all the top women were here."

Cantona Quits, Leaving Fans Just a Note And Memories

By Rob Hughes
International Herald Tribune

LONDON — So it is adieu Eric Cantona?

Sunday's announcement that, a week before his 31st birthday he has played his last game, is not the first time Cantona has "retired" from soccer. If this really is final, then we should salute Cantona for his originality while giving thanks that he chooses to go before age wearies him or ill-temper outweighs what he has achieved.

He departed Manchester United like a fugitive in the night: a note sufficing to say that he wished to do other things, to leave the sport at his peak. He and his family were on vacation abroad and we were told not to expect a swift return to England.

A pity. Cantona thanks the fans in his farewell missive without affording those who contributed week after week to his fortune the traditional good-bye. That, of course, is Eric. He never pandered to tradition. The captain whose improvisation helped stroke United to four championships in five years feels those triumphs are legacy enough.

How, then, shall we remember him? There are many examples of both the majesty of his touch and the madness of his psyche, but he was what he most wanted to be: an artist on a par with the poets and painters whose rebelliousness he sought to emulate in movement.

Cantona at his best caressed his sport, illuminated the way for other players, changed a game and changed perceptions of how to perform. He could caress the ball with nonchalant brilliance, he could spoil his game with outrageous spite or kick out like a hooligan.

He reawakened a spark of childishness in many of us as he turned up his collar, swaggered through midfield and scored with memorable aplomb. He also, because of his abuses of sportsmanship and his anarchist attitude to authority, made it so much harder for any of us to show our children his example.

Soccer tolerated him, indulged his tempestuous fire, because he was a winner. Sometimes we forgave him irrationally because he could lift the soul of an audience, create beyond the imagination of others.

Where will we see him next? In Nike advertisements, to be sure, for he is the archetypal image of that company's mean machine winners. In films, perhaps, for he has already had a taste of French cinema.

He prophetically penned his own epitaph back in 1994:

"Just as I can bring happiness to people with my spontaneity, my instinctiveness, so there are always going to be shadows, black stains."

Born in Paris, raised in Marseilles, Eric Daniel Pierre Cantona now has a young son of his own, a boy who adores papa's image as the Manchester United No. 7. Cantona probably could not bear to hang around while that image frayed.

Recently, his body had softened, his uncanny knack of finishing off games in an arrogant swoosh of the foot has escaped him. Recently, Alex Ferguson, his manager for four-and-a-half years, has publicly courted Juninho, the diminutive Brazilian who will be sold by Middlesbrough any day now for a sum exceeding £10 million.

Pre-empting the script, perhaps, Juninho said Saturday that he would love to replace Cantona at Manchester United. Cantona, meanwhile, read the omens in the newspapers he despises: The stories said King Eric might be going to Zaragoza or back to Marseilles.

If he prefers to step off that road to decline, to reject the money and retire with his pride, bravo. "Its like being with a woman," he once said, "if you get to the point when you've nothing to say, you leave. Or else you stop being good."

Good, bad, never indifferent, Eric Cantona leaves soccer with an indelible imprint. An artist, a poet, a champion.

Rob Hughes is on the staff of The Times of London.

Dreary Draw Takes Juventus Close to Crown



AP

Nicola Amoruso celebrating after equalizing for Juventus against Parma with a penalty on Sunday.

Compiled by Our Staff From Dispatches

ROME — Juventus drew whistles from its own fans Sunday as it declined to pursue the victory that would have clinched the Italian title and played out a lackluster 1-1 draw with second-place AC Parma in Turin.

Juventus could have secured the Serie A title with a victory, but the dull draw was still a better result for the league leader than for visiting Parma. Juventus retained its six-point lead in the standings and now there are only two games left in the season. It can clinch its second championship in three years — and record 24th overall — with no more than a draw against lowly Atalanta of Bergamo on Friday.

The clash with Parma was lively only during a 10-minute period in the first half, which brought an own-goal, a penalty kick and the expulsion of the Parma coach, Carlo Ancelotti.

Once the teams were even at 1-1 in the 40th minute, they seemed content to play out the draw and neither club took a serious shot on goal after halftime.

Parma took a fortunate lead in the 29th minute, when Zinedine Zidane, the Juventus midfielder, deflected Enrico Chiesa's corner past goalkeeper Angelo Peruzzi.

The goal forced Juventus forward, and it equalized 12 minutes later with Nicola Amoruso's controversial penalty kick. The penalty was awarded when Juventus striker Christian Vieri went up for a header and was pushed by Parma defender Fabio Cannavaro. Ancelotti and his players protested vigorously, earning the coach a red card.

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Internazionale of Milan kept pace with Parma in the fight for second place, which brings with it a spot in the lucrative Champions League. Youri Djorkaeff's goal with seven minutes remaining gave Inter a 1-1 draw at AS Roma.

At the tail of the standings, Verona was assured of relegation to the second division after a 1-1 draw with visiting Atalanta.

Elsewhere, Samdporia's long-dormant attack came alive to beat Udinese 4-0 in a key showdown for one of Italy's four spots in next season's UEFA Cup. The win gave the Genoa club sole possession of fifth place one point behind Lazio, which came back to draw, 2-2, at AC Milan.

SPAIN Davor Suker scored with a penalty after 50 minutes to give Real Madrid, the league leader, a 1-0 victory over Valladolid in Madrid on Sunday.

Real Betis lost ground in the race for Spain's second European Cup place after it drew an extraordinary derby with Sevilla, 3-3, on Saturday.

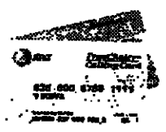
Sevilla scored twice in the final five minutes to level the scores. Betis then hit the post from a free-kick which appeared to cross the line. The referee blew the final whistle immediately afterwards, and had to be protected from enraged fans by police as he left the pitch.

The draw is unlikely to save Sevilla from relegation to the second division for the first time in 25 years.

The game opened with a freak goal from Robert Jarni for Betis, before Robert Prosinecki equalized from the penalty spot. Jarni made it 2-1 just after the break. Juan Canas put Betis ahead, 3-1, in the 83d minute, but Sevilla hit back with last-gasp goals from Salva Ballesta and Jesus Galvan.



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AT&T Access Numbers

EUROPE	
Austria●○	022-903-011
Belgium●	0-800-100-10
France..	0-800-99-0011
Germany.	0130-0010
Greece●	00-800-1311
Ireland	1-800-550-000
Italy●	172-1011
Netherlands●	06-022-9111
Russia●▲(Moscow)»	755-5042
Spain◇	900-99-00-11
Sweden	020-795-611
Switzerland●	0800-89-0011
United Kingdom▲	0800-89-0011
MIDDLE EAST	
Egypt●(Cairo)†	510-0200
Israel	177-100-2727
Saudi Arabia◇	1-800-10
AFRICA	
Ghana	9191
Kenya▲	0-800-10
South Africa	0-800-99-0123

Can't find the Access Number for the country you're calling from? Just ask an operator for AT&T Direct℠ Service, or visit our Web site at http://www.att.com/traveler

AT&T

To get a new wallet card listing most of the worldwide AT&T Access Numbers, ask for customer service when dialing the AT&T Access Number below. Clearest connections from countries with voice privacies compared to many U.S. carriers on calls to the U.S. Clearest based on customer preference testing. * Compared to certain non-telephone charges based on calls to the U.S. in October 1996. Actual savings may be higher or lower depending upon your billing method, time of call, length of call, fees charged by hotel and the countries from which you are calling. Bold-faced countries permit country-to-country calling outside the U.S. Collect calling is available to the U.S. only. Operator-assistance rates consist of the cost of a call to the U.S. plus an additional charge, based on the country you are calling, to connect you to the U.S. operator. Public phones require deposit of coin or phone card for dial tone. ▲May not be available from every phone. ◇Public phone may require local coin payment during the call. ●May not be available from every phone. »Additional charges apply. ○Data/Voice/56 dialing available to designated countries only. ©1997 AT&T. ®/™ AT&T. ©1996 AT&T

The World's Daily Newspaper

Comings and

With Dad A Job for

By Peter Applebome
New York Times Service

BLOOMINGTON, Indiana — At colleges and universities across the United States, the class of '97 graduating this spring into the most auspicious job market in memory, a product of today's soaring economy and, in many ways, the large-scale layoffs that cut a swath through their parents' generation.

From huge state universities like the University of Indiana to high-end private schools like Williams College in Massachusetts, from brand-name institutions like Dartmouth College to Red Rock Community College in Colorado, [illegible] universities and professional [illegible] are reporting a record number of [illegible] on campus, often offering more jobs than they can fill.

"I did eight interviews and got five offers, but I could have had more — I ruled out [illegible] early on," said Vijay Bhagavan, a 21-year-old [illegible] graduate who got a $39,000 starting [illegible] at an auditor with Price Waterhouse in Chicago. "I'd say 90 percent of my friends have jobs, and most of them relatively early."

The current [illegible] reflects the upswing in the economy with unemployment [illegible] 5 percent and the [illegible] economy of a generation [illegible] who have

Bans on Racia Cut Minority

By [illegible]
and [illegible]

WASHI[illegible] of the largest [illegible] S. public [illegible] a substantial [illegible] number of minorities [illegible] in the first class [illegible] were barred from [illegible] factor in selecting [illegible]

At both [illegible] Californ[illegible] and the [illegible] across the effect of [illegible] restrictions on racial [illegible] swift and dramatic [illegible] Hama on campus [illegible] about the consequen[illegible] restrictive action

At UCL[illegible] Black students have [illegible] fall's class [illegible] from last year and the [illegible] number of African Americ[illegible] since about [illegible] At the U.C. Berkeley law school, [illegible] have been accepted in a cl[illegible] year from 75 last year. The drop among Hispanic students at both schools is similar. Graduate programs at the University of California were the first to be affected by the new race-neutral policy ordered by university regents. The same pattern also has emerging at the University of Texas's flagship campus in Austin, where gradu-

Car Exports I In Japan's Tr

By Velisarios Katsoulis
International Herald Tribune

TOKYO — Japan's trade surplus went into overdrive in April, soaring 163.7 percent in its second-largest rise on record, the government said Monday.

Booming car exports coincided with a slowdown in consumer imports as new sales slowed demand at home, the Ministry of Finance reported.

Japan's overall customs-cleared trade surplus jumped to $11.48 billion (57.22 billion) in April from 315.3 billion yen a year earlier, the ministry said. The rise was the biggest since January 1992, when it surged a record 263.4 percent.

With the United States, Japan's enormous surplus grew for the seventh month in a row, leaping 174.1 percent, to 468.97 billion yen.

"Because the U.S. economy is so

Newsstand Prices

Bahrain	1.000 Din	Malta	.55 c.
Cyprus	£ 1.00	Nigeria	125.00 Naira
Denmark	14.00 Dkr	Oman	.250 Rials
Finland	12.00 F M	Qatar	10.00 Riyals
Gambia	$ 0.85	Reu. Ireland	IR £ 1.00
Great Britain	$ 0.90	Saudi Arabia	10.00 Riyals
Egypt	£E 5.50	S. Africa	R12 + VAT
Jordan	1.250 JD	U.A.E.	10.00 Dirh.
Kenya	K.Sh. 160	U.S. Mil. (Eur.	$ 1.25
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